FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Europe

FBIS-EEU-95-219
Tuesday
14 November 1995

Daily Report
East Europe

FBIS-EEU-95-219

CONTENTS

14 November 1995

NOTICE: This volume contains a representative selection of material previously disseminated in softcopy format.

INTERNATIONAL AFFAIRS

Tribunal Issues Indictments Against Six Croats *[TANJUG]* 1

ALBANIA

Council of Europe To Inspect Legislative Changes *[GAZETA SHQIPTARE 12 Nov]* 2
President Berisha Guarantees Free Elections *[Editorial Report]* 2
Korce Army Division Restructures; 300 Dismissed *[KOHA JONE 4 Nov]* 2
Police Called to Brozi's House Over Passport *[Editorial Report]* 3
People's Assembly Approves Privatization of Mines *[GAZETA SHQIPTARE 10 Nov]* 3

BULGARIA

Tsochev To Discuss Arms, Nuclear Power in Moscow *[Sofia Radio]* 4
Officials Explain 'Updated' Army Reform Concept *[BULGARSKA ARMIYA 10 Nov]* 4
DPS' Dogan To Form Kurdzhali 'Mayoral Team' *[Sofia Radio]* 5

CZECH REPUBLIC

Klaus on New KDS Platform, Cutting Ministries *[DENNI TELEGRAF 10 Nov]* 6
Klaus Discusses Country's Economic Performance *[LIDOVE NOVINY 10 Nov]* 6
IMF Study Shows 'Promising' Economy *[HOSPODARSKE NOVINY 7 Sep]* 7
Republic To Meet OECD Entry Requirements *[HOSPODARSKE NOVINY 14 Sep]* 7
Effects, Expansion of CEFTA Viewed *[HOSPODARSKE NOVINY 12 Sep]* 8
Fixed Koruna Exchange Rate To Remain *[HOSPODARSKE NOVINY 15 Sep]* 9
Programs Helping Small Businesses Examined *[HOSPODARSKE NOVINY 21 Sep]* 10
Diplomat Investigates Sale of Tamara to Kyrgyzstan *[MLADA FRONTA DNES 9 Nov]* 13
RDP Group Abandons Arms for Civilian Production *[MLADA FRONTA DNES 9 Nov]* 13
Conflict Over Army Acquisition Orders *[HOSPODARSKE NOVINY 15 Sep]* 14

SLOVAKIA

National Council Debates Foreign Policy Issues 16
    Schenk Highlights Important Topics *[Prague Radio]* 16
    Schenk on Demarches, Internal Affairs *[Bratislava Radio]* 16
    Amendment on Referendum Approved *[Bratislava TV]* 17
DU Deputies' Expulsion Not on NRSR Agenda *[PRAVDA 8 Nov]* 17
Secret Service Chief Forfeits Parliamentary Seat *[NARODNA OBRODA 9 Nov]* 18
SDL's Weiss Discusses Promise of Resignation *[NARODNA OBRODA 6 Nov]* 18
Kozlik Says Demarches Due to Privatization *[PRAVDA 9 Nov]* 20
Demonstration To Support Language Law Called *[Editorial Report]* 20
Party Leader Concerned Over 'Paid Demonstration' *[Bratislava Radio]* 21
SIS Source: 'Chaos' Reigns in Service *[SME 8 Nov]* 21
Government Members Compared to Rabin's Assassin *[NARODNA OBRODA 8 Nov]* 21
Growing Trend of Slovak Exports to EU *[LIDOVE NOVINY 11 Aug]* 21

HUNGARY

Army Commander Interviewed on NATO Admission *[MAGYAR NEMZET 11 Nov]* 23

Workers Party Supports Nonaligned Security Zone *[NEPSZABADSAG 10 Nov]* 25
Dunai Visits FRG, Envisages OECD Membership *[Munich SUEDDEUTSCHE ZEITUNG 13 Nov]* . 26
Poll Shows SZDSZ Politicians Losing Popularity *[MAGYAR HIRLAP 10 Nov]* 27

BOSNIA-HERZEGOVINA

Ohio Talks Reach Final Stage; Sarajevo Remains *[TANJUG]* 28
    Croats Insist on 'Acceptable Solution' *[Mostar Radio]* 28
    LBO Claims Belgrade, Zagreb Pressure *[Sarajevo Radio]* 28
    HDZ Commends Agreement on Federation *[Sarajevo Radio]* 29
Karadzic's Office Denies Karadzic, Mladic To Retire *[SRNA]* 30
    Banja Luka SDS Pledges Support *[SRNA]* 30
Karadzic Denies Talking to SVET About Peace *[SRNA]* 30
Martic: Erdut Accord 'Defeat of All-Serb Policy' *[Banja Luka TV]* 30
UNHCR Envoy: Serbs Continue 'Ethnic Persecution' *[AFP]* 31
Hague Tribunal Indicts Six Bosnian Croats *[AFP]* 31
Serb Courts Charge Muslim, Croat War Criminals *[SRNA]* 32
Croatian Troops Attempt Breakthrough Near Trebinje *[TANJUG]* 32
Bosnian General Fears Muslim-Croat Conflict Likely *[TANJUG]* 33
Serb Officer Blames Politicians for Defeats *[SRPSKA VOJSKA 3 Nov]* 33
New Radio Station Broadcasting to Banja Luka Area *[Sarajevo Radio]* 35

CROATIA

Party Leaders Assess Erdut Agreement *[Zagreb Radio]* 36
    Chief Serb Negotiator on Accord *[Belgrade Radio]* 37
    Serb Leader Condemns Accord *[SRNA]* 37
    TV on Reactions to Accord *[Zagreb TV]* 38
Christopher Criticized Over Serb Leaders' Removal *[Zagreb TV]* 38
SDA Leader Warns of New Bosniak-Croat War *[LJILJAN 8 Nov]* 39
B-H Army Said To Be Involved in Attack on RRF *[SLOBODNA DALMACIJA 8 Nov]* 41
Report Views Region's Changed Military Balance *[VELEBIT 27 Oct]* 42
HSS Leader Claims HDZ Rigged Elections *[NOVI LIST 4 Nov]* 45
New PM Said To Continue Valentic Policy *[SLOBODNA DALMACIJA 8 Nov]* 49
Susak Pays Tribute to Army's Efficiency *[VELEBIT 20 Oct]* 51

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Ivanov on Economic Prospects After Lifting Embargo *[NOVA MAKEDONIJA 11 Nov]* 56

POLAND

Envoy Recalled in Wake of Nigerian Executions *[Warsaw Radio]* 58
Minister To Visit Moscow To Discuss NATO *[Warsaw Radio]* 58
Walesa, Kwasniewski in First TV Debate *[Warsaw TV]* 58
Walesa Posters Burned in Konin After Debate *[PAP]* 74
Lech Walesa's Presidential Platform *[GAZETA WYBORCZA 9 Nov]* 74
Walesa Discusses Communist Past, EU Membership *[Warsaw Radio]* 76
Walesa Accuses Minister of Campaign Involvement *[Warsaw Radio]* 76
Kwasniewski Aide Wants Proof of Walesa Payments *[Warsaw Radio]* 76
Justice Ministry on Kwasniewski Assets Case *[Warsaw Radio]* 77

ROMANIA

Size of Military Forces in Balkan States *[EVENIMENTUL ZILEI 8 Nov]* 78
Tinca Rejects PUNR Deputy's Accusations *[EVENIMENTUL ZILEI 3 Nov]* 79

Uranium Traffickers To Face Court in Bucharest *[ADEVARUL 1 Nov]* 80

YUGOSLAVIA

Federal

Government Welcomes Agreement on E. Slavonia *[Belgrade Radio]* 81
POLITIKA Staff Demands Director's Resignation *[POLITIKA 5 Nov]* 81
Police Forbid Journalist To Leave Country *[NASA BORBA 13 Nov]* 83

Serbia

Slavonia Leaders Lauded for Signing Accord *[BORBA 13 Nov]* 83

Kosovo

Rugova Speaks on Place of Kosovo in Ohio Talks *[RILINDJA 11 Nov]* 84

Tribunal Issues Indictments Against Six Croats

LD1311151195 Belgrade TANJUG in English
1456 GMT 13 Nov 95

["Pool" item]

[FBIS Transcribed Text] The Hague, Nov 13 (TANJUG)—The International Criminal Tribunal in The Hague for war crimes committed in the territory of the former Yugoslavia issued on Monday indictments against six Croats, for war crimes committed in the territory of the former Yugoslav republic of Bosnia and Herzegovina (BiH) from May 1992 to May 1993.

Prosecutor Richard Goldstone said in the indictment that during that period the indicted Dario Kjordic, Tiofil Blaskic, Mario Cerkez, Ivan Santic, Pero Skopljak and Zlatko Aleksovski committed grave crimes against humanity in the Lasla Valley area (central Bosnia).

In the attacks of Bosnian Croat military formations-Croatian Defense Council (HVO), the six indicted committed 'individually, or in cooperation, inhuman acts against Muslim civilians, or they found out that their subordinates were committing misdeeds and did nothing to prevent them'.

The six Croats against whom the Hague tribunal issued indictments are members of the HVO and of the Croatian Democratic Community (HDZ), ruling party in the neighbouring Republic of Croatia and in the Croatian Community of Herzeg-Bosnia (HZHB), state of Bosnian Croats.

The indicted Dario Kordic is vice-president of HZHB and president of HDZ for Bosnia and Herzegovina.

Tiofil Blaskic, captain in the former Yugoslav People's Army (JNA) was at the time of the crimes a regional HVO commander in central Bosnia, prior to becoming chief of staff of the Mostar-headquartered HVO.

Mario Cerkez was, at the time of the crimes, commander of a HVO brigade in the central Bosnian town of Vitez, and is still there.

Ivan Santic, an engineer, was the director of the Sintevit plant in Vitez, and mayor of that town.

Pero Skopljak graduated at the faculty of theology of the Roman Catholic Church and at the time of the crimes was chief of police of the Vitez police station. He is now one of the officials in the HZHB Presidency.

Zlatko Aleksovski, political scientist, was at the time of the crimes a youth counselor in the Zenica juvenile home and the warden of the prison in Kaonik. He is now the warden of the prison in Mostar.

It has been learnt from tribunal sources that an indictment is being prepared also against certain Bosnian Muslims.

Council of Europe To Inspect Legislative Changes

AU1411081995 Tirana GAZETA SHQIPTARE in Albanian 12 Nov 95 p 3

[Report by "ar.me.": "The Council of Europe Inspects Albania: 'To What Extent Have Promises Been Kept?'"]

[FBIS Translated Text] Tirana—"Has Albania kept to its obligations it undertook toward the Council of Europe?" To answer this question, a group of parliament members from the Council of Europe will soon pay a special visit to Albania. The delegation arriving in Tirana will be headed by Mr. Finsberg as representative of the Political Commission and will be involved in verifying on the spot the nine amendments signed by People's Assembly Chairman Pjeter Arbnori on the day of Albania's admission to the Council of Europe.

The decision for the political delegation to visit Albania was made a few days ago in Strasbourg, and a number of other countries admitted to this top-level European forum also figure on the list. In fact, Tirana had pledged to provide a special report in response to the Council of Europe before 20 August, covering all the amendments.

What points interest the Council of Europe? Most of the amendments signed by Albania concern questions of the judiciary and the system of the courts, over which Europe is particularly sensitive because of their direct connection to human rights. A different delegation completed its visit to Tirana only a few days ago, having met the most senior Albanian personalities. Changes to the role and function of the procurator, as altered when the new Code of Penal Procedure came into force, are expected to be the focus of attention. The independence of the judiciary is also expected to be examined; a special amendment laid stress "on protecting judges from unjustified and arbitrary dismissal, and ensuring that the courts control and use their own current budgets, after these have been approved by parliament." However, it seems that the most sensitive point, besides suspending the death penalty for three years until it is finally abolished, will be the constitution. Since last June, the only tangible step toward drafting the constitution has been Arbnori's proposal a few days ago to create a constitutional commission.

President Berisha Guarantees Free Elections

AU1311143895

[FBIS Editorial Report] Tirana ALBANIA in Albanian on 8 Nov carries on page 2 an 800-word unattributed report entitled: "President Berisha Guarantees Free Elections."

The report says that on 7 November Albanian President Sali Berisha guaranteed free elections and severely criticized the former communists in the opposition for their campaign, which according to him, denigrates Albanian democracy. In the meeting he had with the EU delegation, led by the EU Deputy Chairman Peter Loipreht, President Berisha defended the antigenocide law and said that "Europe must know the bitter past of Albania, which incriminates elements who, finding themselves in a hopeless situation, declare that there will be no free elections in Albania. As the campaign on the referendum and the local elections showed, there will be free elections in Albania."

The report goes on, "President Berisha's statement about free elections in Albania comes after a fierce propaganda campaign by the opposition raising the possibility of the manipulation of the elections. The independennt press has considered this a possibility of the opposition to precede possible loss in the coming elections [as published], while the pro-Socialist Party press, as a means to propagate the often abandoned meetings of the opposition."

President Berisha is reported as saying in his meeting with the EU delegation that, "I appreciate your mission and I would like to assure you that we are determined to cooperate with the EU in all fields, including the legal one, especially regarding the consolidation of our legal system." The report continues, "Berisha assured them that Albania is ready to cooperate with the Venice Commission on the draft law 'For the Organization of the Legal System' and with foreign experts for opening a training school for judges."

Korce Army Division Restructures; 300 Dismissed

AU1111164095 Tirana KOHA JONE in Albanian 4 Nov 95 p 5

[Report by G. Ashimi: "Three Hundred Army Officers Released"]

[FBIS Translated Text] Reform within the framework of the restructuring of the army. This, at least, is how a massive cleansing of green uniforms within the Korce army division is explained. Recently the reform, which started several months ago, came to an end and over 200 officers and 100 civilians found themselves out of the military structures. According to several officers, the objective of the restructuring was to balance the number of active armymen with that of the soldiers. The main aim of the reform consisted in bringing the army officers closer to Western standards and further concentrating the military units and their activities. On the other hand, according to dismissed officers, the reform was carried out without considering age, work experience, or education. Professional testing of the officers was carried out, says a high education officer, but the fact that many of the dismissed officers have university education tells the contrary. About 20 [Greek] minority officers were also dismissed, almost all those who worked in this division. To "wash their hands" of the dismissed, these soldiers and civilians are offered jobs in remote areas, which they in general refuse. Reform is painful, say the former officers ironically. Now they are worried about being on the dole.

Police Called to Brozi's House Over Passport

AU1411100995

[FBIS Editorial Report] Tirana KOHA JONE in Albanian on 5 November carries on page 2 a 1,000 report by Elio Elini entitled: "Incident at Zef Brozi's House."

The report says, "A diplomatic passport made Zef Brozi, for the second time, the character of a detective story. Police of Tirana Commissariat No. 1 knocked on Brozi's door at 0545 local time." The report continues to say that "from behind the closed door" the police officer asked Zef Brozi "to contact him on some problem and that he had to hand over his diplomatic passport." As Brozi did not open his door, "the police officer went away" to be replaced at 0730 by "the Commissariat chief." The report continues: "According to explanations by the former Cassation Court chairman, from 0545 a police minibus with plainclothesmen, and official and private cars with SHIK [National Intelligence Service] men, were seen in front of Brozi's house. After Brozi's phone calls to several deputies, some of them went to his house by about 0830. Among them were deputies Arben Imami, Musa Ulqini and journalist Frrok Cupi. From his house the Democratic Alliance Secretary General Arben Imami called Foreign Minister Serreqi," who according to the report said that he "knew nothing" about it and that "diplomatic passports are handed over only to the Personnel Department in the respective institution."

The report goes on to say that Imami went to the Cassation Court and handed over Brozi's diplomatic passport to personnel chief Ylli Mahmutaj. Afterwards, "Imami gave a press statement in which he pointed out that, 'after the telephone conversations with the foreign minister, the Commisariat No. 1 chief, and the Cassation Court chairman, I realized that the Foreign Ministry and the Cassation Court do not know anything about Brozi's diplomatic passport and that the police had gone to Brozi's house only to accompany a special 'branch' of the Foreign Ministry [as published].'"

The report says, "Afterwards Brozi gave a news conference at his house. He declared: 'The police implemented the tricky scenarios of the present state despotic mechanisms, which began on 17 September 1994. They are still continuing them today when Zef Brozi is no longer the Cassation Court chairman but an ordinary citizen.'"

Brozi is reported as saying: "The reason for the police presence in my house at 0545 was not the passport. What the police did later proves this. This was not a reason but a pretext, because later the police did not accept the passport."

The report says that Brozi "confirmed the news according to which representatives of embassies accredited to Tirana saw the police near his house." Brozi is reported as saying, "From the early morning hours, embassy representatives called the highest state sectors asking for clarification. They were told that Zef Brozi was asked only to hand over his diplomatic passport." The report goes on, "Brozi did not agree to say which embassies these were."

The report ends, "At the end of his improvised news conference, the former Cassation Court chairman came to a conclusion: 'State sectors are preparing something against me.'"

People's Assembly Approves Privatization of Mines

AU1111215195 Tirana GAZETA SHQIPTARE in Albanian 10 Nov 95 p 3

[Unattributed report: "Mines Will Be Private From Now On"]

[FBIS Translated Text] Tirana—As of yesterday, the mines are heading for privatization. The bill submitted by the government was approved at the session of parliament. The method of privatizing the mining companies will involve key investors, anonymous companies, and privatization bonds. A large proportion of Albania's mines are ultimately lossmaking. This has meant a significant drain on the state budget, which has led to the closure of some mines. The privatization of this industry will make it possible to increase production and will enable our minerals to compete more effectively on the world market.

A number of private companies have recently worked in the mining industry, especially in the production of construction materials. Some small companies have also been involved in exploiting chrome ore.

Tsochev To Discuss Arms, Nuclear Power in Moscow

AU1411114195 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 14 Nov 95

[FBIS Translated Text] On 14 November, Kiril Tsochev, deputy chairman of the Council of Ministers, and members of the Interdepartmental Council on Issues of Military Industrial Complex, whose chairman he is, departed for Moscow. They will be taking part in the second session of the Bulgarian-Russian Intergovernmental Commission on Cooperation in Specialized Production. This is what Mr. Tsochev told our correspondent:

[Begin recording] We were also supposed to simultaneously hold the fourth session of the Bulgarian-Russian Federation Commission, but since Finance Minister Panskov is ill and hospitalized, the session has been postponed for a few days.

At the session on cooperation in specialized production, we will be discussing production sharing, the Russian debt in the sphere of specialized production—I hope that in this sphere we will finally sign the contracts—and the delivery of Russian tanks. I shall also use the opportunity to meet various representatives of the Russian Government and discuss with them topics of mutual interest.

We will be reviewing the implementation of the agreements reached by the two prime ministers and during the sessions of the Commission in May in Sofia and in September in Moscow. We will also be preparing the next regular session, which will most probably take place in Moscow at the beginning of December. [end recording]

In his statement Kiril Tsochev also said that he expected to hold talks in Moscow on the issue of conventional and nuclear power supplies. The dialogue with Yuriy Shafranik, Russian minister of fuel and energy, on the Burgas-Alexandroupolis project will continue.

Officials Explain 'Updated' Army Reform Concept

AU1411080695 Sofia BULGARSKA ARMIYA in Bulgarian 10 Nov 95 pp 1, 3

[Report by Stoyan Petrov: "Cabinet Approves by Decree Updated Concept on Reform in Bulgarian Army for 1995-2010"]

[FBIS Translated Excerpt] At its meeting on 9 November, the Council of Ministers reviewed the draft on updating the concept on reform in the Bulgarian Army for the 1995-2010 period proposed by the Ministry of Defense and General Staff.

At a news conference that took place afterwards, in which Defense Minister Dimitur Pavlov and Colonel General Tsvetan Totomirov, chief of the Bulgarian Army General Staff, took part, correspondents had an opportunity to better acquaint themselves with the adopted draft.

In his statement, Minister Pavlov said that the changes and tendencies that have taken place in the development of the military-political and strategic situation in Europe, and especially in the Balkans, as well as Bulgaria's economic situation, the peacetime readiness of the neighboring states' Armed Forces, equipping the Bulgarian Army, and the problems that have emerged regarding the material technical supply and the decrease of human resources require that the Bulgarian Army be reformed. He pointed out that a concept on this reform was prepared in 1992 and adopted by the General Staff Military Council and the Ministry of Defense. At that time, the concept was not approved by the Council of Ministers. Therefore, it is now necessary to have the updated concept approved by a decree of the Council of Ministers and turn it into the legitimate foundation of implementing the reform in the Bulgarian Army. The minister of defense also stressed that the doctrine of the Republic of Bulgaria, adopted at the end of 1994, and the principles of constructing the Armed Forces, also require to amend the concept's theoretical part.

Incorporating our state in the Partnership for Peace program in 1994-95 and our experience acquired in joint exercises with the troops and Armed Forces of other countries imposed certain new conclusions related to the structure, equipment, and training of the combined units [suedineniya], units [chasti], and especially the subunits [podrazdeleniya]. The concept views certain basic tenets. The main goal is to construct an army on the basis of the agreements that have been reached, which has a defensive structure and higher combat readiness, and is able to defend Bulgaria's territorial integrity and independence.

The peacetime readiness of the neighboring states' armies allows them to react suddenly at the emergence of a conflict. This requires from the Bulgarian Army to also construct rapid reaction troops and basic forces of defense. The rapid reaction troops are already 70 percent up to their personnel strength and they are 100-percent equipped. The basic forces of defense include covering and defense units. [passage omitted]

For his part, Col. Gen. Totomirov stressed that the concept is extremely necessary for implementing reform in the Bulgarian Army and expressed gratitude to the Council of Ministers for the attention it demonstrated by adopting the concept through a special decree. He said that a base for the rapid reaction forces has already been established. Those troops could be directed and used in different directions on the basis of an order of the General Staff chief and in accordance with the threat that emerges. [passage omitted]

DPS' Dogan To Form Kurdzhali 'Mayoral Team'

AU1311201995 Sofia Khorizont Radio Network in Bulgarian 1800 GMT 13 Nov 95

[FBIS Translated Text] Ahmed Dogan, leader of the Rights and Freedoms Movement [DPS], will personally form the mayoral team in Kurdzhali, (?Minyun) Emin, deputy chairman of the DPS Central Council, announced at a news conference held in Kurdzhali today. According to him, the voting in the second round of the Kurdzhali municipal election was politically, not ethnically motivated. The DPS succeeded in retaining its monopoly position in the seven municipalities in the Eastern Rhodopes, despite the pressure applied by the government and the parliamentary majority.

DPS headquarters has accused Milan Milanov, the new deputy administrator of Khaskovo Oblast, and Zlatko Pilev, chief of the regional police directorate, of directing the election campaign of Dr. Georgi Georgiev, the independent candidate for the post of Kurdzhali's mayor, in support of the Bulgarian Socialist Party.

Klaus on New KDS Platform, Cutting Ministries

AU1411082495 Prague DENNI TELEGRAF in Czech 10 Nov 95 p 3

[Interview with Czech Prime Minister Vaclav Klaus by Tomas Chalupa; place and date not given: "An Independent KDS Has No Chance of Success in the Elections"]

[FBIS Translated Excerpt] [Chalupa] A new platform to preserve the independence of the Christian Democratic Party [KDS] has been established within the KDS. Its representative Rostislav Gargulak claims that it represents roughly two-thirds of the total membership base. Are you still convinced that its merger with the Civic Democratic Party [ODS] will indeed take place?

[Klaus] If this gentleman is claiming that it represents two-thirds, this is completely different from the claim by the truly representative KDS officials. That is, they are talking about a far smaller number. I see no reason not to believe the current KDS leadership and, on the contrary, to believe an individual who, moreover, does not have the backing of the party leadership. On the other hand, I think my conjectures in this case are quite pointless because only the KDS congress on 18 and 19 November can make the decision on this issue.

[Chalupa] If the congress were not to endorse the merger with your party and if the KDS were to remain independent, do you think that such a party would have any chance at all of an independent existence after the elections?

[Klaus] I think that in no way would the Christian Democratic Party have a chance of crossing the 5-percent threshold, even if it were to remain intact. Moreover, if it were to be deprived of its leading representatives, its chances would decline even more dramatically. [passage omitted]

[Chalupa] On 5 November you expressed yourself in favor of abolishing the Culture Ministry, and on 7 November you talked about cutting the number of economic ministries. The social democrats, on the other hand, would like an even larger number of ministries, even more offices. Why do you want to reduce the number of government members in the future?

[Klaus] We have all without doubt noticed this week that, after the 7 November restructuring, the French Government has been reduced from 42 to 32 members. In this context, I merely said that I cannot imagine that these 42 people could sit around a table and hold matter-of-fact discussions. In my opinion, such a number is far in excess of one that would be capable of action. The issue does not involve the number of members itself but, rather, the number of ministries and the number of ministerial officials. The views on reducing the number of economic ministries and, eventually, the noneconomic ministries are quite normal, and I think they express the basic consensus within the current government.

[Chalupa] Does a smaller number of government seats not lessen the scope for coalition talks on filling government posts after the elections?

[Klaus] I would say yes and no. It is just as possible to find a good coalition combination whether this number is 19, 17, or 21.

Klaus Discusses Country's Economic Performance

AU1411081395 Prague LIDOVE NOVINY in Czech 10 Nov 95 p 3

[Interview with Czech Prime Minister Vaclav Klaus by Eva Martinkova; place and date not given: "Inflation and Unemployment Are Falling"]

[FBIS Translated Text] [Martinkova] The Czech Statistical Office has drafted a detailed analysis of and forecast for the Czech economy. The government already has this document at its disposal, but not the public. What is in it?

[Klaus] I think it is genuinely high-quality material that documents not only our economic results, but also our Statistical Office's huge transformational shift. I do not think this office produced such quality analytical material in the past. There is no breakthrough information in it; nevertheless, it is a quality analytical text that discloses various correlations other than those that are generally known.

[Martinkova] So how is the Czech economy faring?

[Klaus] Of the statistical data, I consider two completely new figures to be noteworthy. One of these is the further fall in the level of unemployment to 2.8 percent, which is an unbelievably unnatural unemployment level; nevertheless, it is not a surprising indicator. Economic growth is evidently speeding up, and it is clear that this does not fall from the sky but must be achieved by people. That is, the demand for the labor force is increasing and the level of unemployment is falling. In October alone there were 7,000 fewer applicants at labor offices in our country. It is also very favorable that the low inflation is continuing for the fourth month in a row. This means that the annual rate of inflation is obviously falling. Inflation in October was 0.6 percent. Because inflation last October was 1.3 percent, or 0.7 percent higher, the result is a further major fall in the year-to-year rate of inflation, from 8.6 percent in September to 8.1 percent in October. These are all very good economic results.

[Martinkova] The government's decision on valorizing the minimum subsistence level should depend on the October inflation rate. It seems that, given such a low inflation rate, the government will not accede to valorization.

[Klaus] The law enjoins us to valorize the minimum subsistence level the moment inflation reaches 10 percent. During the past three months, the pace of inflation has been almost three times slower than during the same period last year. From this point of view, the January date for valorization seems premature. But, I repeat: The government will discuss it.

[Martinkova] Minister Vodicka, however, has already promised the valorization and, with it, an increase in virtually all of the state social allowances, including child allowances.

[Klaus] When we assessed inflation with Minister Vodicka at the beginning of August, we envisaged that its increase would be higher in the fall. Therefore, we were reckoning preliminarily with the valorization as of 1 January. The real rate of inflation, however, is substantially lower.

[Martinkova] Are you not concerned that the opposition will make use of this with reference to unfulfilled promises?

[Klaus] I envisage this. It does not change the fact that, in valorizing the minimum subsistence level, the government will take the low rise in inflation into consideration.

IMF Study Shows 'Promising' Economy

95CH0369B Prague HOSPODARSKE NOVINY in Czech 7 Sep 95 p 1

[Article by Olivie Miskovska: "The International Monetary Fund Is Once More Evaluating the Status of the European Reform Countries"]

[FBIS Translated Text] When it comes to money in the old, rich part of the world, its confidence in the new markets and in the individual young economies can hardly be increasing only on the basis of the grades the reforming governments are giving themselves. The International Monetary Fund (IMF) deals particularly with this money and with the great responsibility for it. In the most recent monthly overview, the fund has aggregated the results of the "self-grading" of the East European reform economies. Whether this involves new studies by the IMF experts or the results of other international comparisons and ratings even within the framework of all young markets of the world, the recently improved report cards of trustworthiness portend a promising beginning of the new "school" year for the Czech economy.

According to the IMF study, the Czech Republic has already made substantial progress in the transition toward a market economy. The economy is on the rise, inflation has declined substantially since 1990, and unemployment remains the lowest in the entire region and is well below the average for West Europe. The extent of privatization is also considered to be exceptional. The Czech Republic can thank particularly the financial stability for its successes in increased trustworthiness and creditworthiness. In addition to a strong payments position with respect to foreign countries, particular value has been placed on the budget surplus, which has been maintained in spite of financial tensions brought about by the transformation. There also is the fact that the Czech Republic is constantly improving its marks in the classification of creditworthiness in international capital markets, where it is rated the highest of all economies coming into the market.

At the same time, the Czech koruna has now worked its way into first place among the currencies of 24 countries—small world markets, including the Asian "tigers." Through the stability of the exchange rate with respect to the dollar over the first eight months of 1995, it has moved into second place after the Portuguese escudo on the Datastream ladder. Its exchange rate in foreign exchange markets has improved on balance by more than 3 percentage points, whereas, in the majority of the countries being monitored, the exchange rate has declined.

Poland has taken the position in this sequence immediately after the Czech Republic. And only these two economies are expected to experience a decline in the growth of domestic prices as a result of the realistic evaluation of currencies contained in Western "surveys" of Central European indicators (J.P. Morgan): They predict a currency-dependent discipline, particularly with respect to the creation of producer prices.

Republic To Meet OECD Entry Requirements

95CH0369D Prague HOSPODARSKE NOVINY in Czech 14 Sep 95 pp 1, 13

[Article by Jan Zizka: "There Should Be No More Obstacles to Entry Into the OECD"]

[FBIS Translated Text] After the Czech Republic [CR] adopts the new foreign exchange law and introduces the full convertibility of the currency according to the rules of the International Monetary Fund, nothing else will stand in the way of its entry into the Organization for

Economic Cooperation and Development. This is noted in the most recent reports from the Paris headquarters of this organization of 25 economically developed nations in the world. Czech membership is realistic this year, officials of the OECD noted in recent days, and this expectation was also confirmed by the prestigious FINANCIAL TIMES, which referred to its own sources.

The Czech Republic would thus become the first member country from Central and East Europe. Of course, the final decision will be preceded in October and November by concluding preparatory negotiations with OECD officials, during which Prague will have to prove that it has adapted its legislation, including its economic and ecological policy, to that organization. Thus far, the greatest obstacle to membership was the inadequate liberalization of movement of capital. The Czech Government is, therefore, striving to have the foreign exchange law adopted quickly. Although Prague can negotiate exceptions for itself, according to which it will not be adapting its legislation in certain areas, the fewer such exceptions, the better the chances for rapid membership become. Czech entry into the OECD as early as this year would be a signal indicating that the international economic organizations could, in some cases, prioritize a certain country in Central Europe.

Although membership would not result in immediate economic advantages, it would nevertheless be an important valorization of the Czech economy and its reforms. Prague would, moreover, acquire easier access to economic information and could participate in discussions on the world economy. Entry into the OECD could also increase the confidence of foreign businessmen and investors in the Czech Republic.

Observers remind us that the rapid acceptance of the Czech Republic would not please Warsaw or Budapest, which do not consider the prioritizing of Prague to be just. In contrast to a number of positive Western evaluations of the Czech economy, many Polish and Hungarian economists believe that principal transformation steps still await the Czech Republic. According to them, the Czech Republic continues to maintain high employment artificially, and information on the growing private sector is allegedly exaggerated. The Czech state, according to critics of the Klaus reform, is retaining the decisive influence, one way or another, in the banks and in key enterprises, and the large number of small stockholders is making business intentions more difficult.

Nevertheless, West European representatives are convinced that, despite all partial shortcomings, the Czech economy is showing the best results in Central Europe. Early entry of Prague into the OECD is being considered despite the bad experiences with the most recent member country: Mexico. Mexico was granted membership shortly before its financial failure and representatives of the OECD have insisted that a similar scenario must not be repeated.

Effects, Expansion of CEFTA Viewed

95CH0369E Prague HOSPODARSKE NOVINY in Czech 12 Sep 95 p 2

[Interview with Milos Rezek, director of the Department of Countries With Economies in Transition at the Ministry of Industry and Commerce, by Marta Stolarova; place and date not given: "Mutual Market Trade Between the 'Four' Is Growing"]

[FBIS Translated Text] In November 1992, in Budapest, the deputy ministers of foreign affairs of the former Visegrad Troika decided to conclude the Central European Free Trade Association, which has become known by its English-language abbreviation of CEFTA. The treaty was signed a month later in Krakow and became effective in March 1993, but incorporated four countries—the Czech Republic, Hungary, Poland, and Slovakia.

[Stolarova] Which principal chapters in mutual trade have already been liberalized by the signatory countries of the Central European Free Trade Agreement?

[Rezek] At the present time, the liberalization of mutual trade relationships between these countries is determined by the Supplemental Protocol to the Central European Free Trade Agreement, which has been temporarily in effect since 1 July of last year. In conjunction with its conditions, there are, today, no customs duties imposed on those industrial products that are listed in Attachments A, B, and C of the protocol. This is primarily the case of salt, sulfur, soil and rock, gypsum, products of organic and inorganic chemistry, pharmaceutical products, fertilizers, rubber, hides, and other products. In the case of products listed in Attachment D of the Supplemental Protocol, basic customs duties at the present time have been reduced by one-third. The greatest measure of protection asserted in mutual trade exists with respect to products of the automobile industry, where customs duties are to be completely eliminated shortly after the year 2000.

In 1994, commercial turnover among the CEFTA signatory countries increased, and developments in this regard tend to document these trends in 1995.

[Stolarova] For industrial products, the liberalization season has recently been shortened. For which products is this not succeeding?

[Rezek] The final work by experts is now ongoing, the object being to shorten the scheduled time for the gradual reduction or complete elimination of customs duties applicable to industrial products by one year and to prepare a corresponding legal document. It can be noted that the shortening of the time frame by one year, which has been requested, is occurring with respect to all product lists with the exception of trade involving the products of the automobile industry in relation to the Polish Republic, as a result of Poland's international legal obligations. In this area, the timetable for customs rates is being preserved.

[Stolarova] The most complicated aspect of all of international trade is agriculture. Is the liberalization of trade within the framework of CEFTA proceeding in accordance with original notions when it comes to agricultural commodities?

[Rezek] In the course of the meeting of ministers of agriculture of the CEFTA countries, which was held in January 1995 in Warsaw, participants in the meeting supported the idea of a 50-percent reduction of customs duties on agricultural products as of 1 January 1996 and the complete eradication of customs duties as of 1 January 1998. It can be expected that expert negotiations will be concluded in sufficient time to permit the appropriate measures to become effective as of 1 January 1996.

[Stolarova] How far have we progressed in the mutual recognition of certificates of origin?

[Rezek] Negotiations on the mutual recognition of certificates are being conducted for the Czech side by the Office for Technical Standardization, Metrology, and State Testing in Prague. According to our information, a two-page treaty on mutual recognition of the results of testing is ready for signature involving Poland; appropriate expert negotiations have been initiated with respect to Hungary.

[Stolarova] The balances of trade of the individual signatory countries are not developing favorably and their governments are introducing certain measures to support exports. Are we not lagging in this area?

[Rezek] The balances of trade for the individual CEFTA countries are the result of broader economic factors. The proexport measures being asserted or introduced in the CEFTA countries are similar in character to those used in the Czech Republic. Protective measures, the goal of which is the immediate reduction of imports, are very short-term in effect and do not influence the volume of exports. In view of their very limited economic contribution, any possible protective measures in the Czech Republic are asserted only in specific and justified cases in line with any international legal obligations undertaken by the Czech Republic.

[Stolarova] How are the preparations for expanding CEFTA progressing, who are the most immediate candidates, and what promise does their membership hold for us?

[Rezek] At the present time, preparatory consultations are ongoing, the object of which is to modify the provisions of the Central European Free Trade Agreement in such a way as to facilitate membership in CEFTA by additional countries. These consultations are expected to be concluded shortly. One of the first countries to be accepted will very likely be the Republic of Slovenia. Appropriate negotiations will be initiated immediately upon receipt of the official application by Slovenia for membership in CEFTA. The prepared modification of the Central European Free Trade Agreement will make entry possible for those countries that, in line with the Potsdam declaration of prime ministers, will be members of GATT/WTO [World Trade Organization], will have concluded an association agreement with the European Union [EU], and whose entry will be approved by the current CEFTA countries. The possibility of entry by additional countries creates the prerequisites for the expansion of the Central European zone of free trade and for the increase in the production and consumer potential of the CEFTA member countries.

Fixed Koruna Exchange Rate To Remain

95CH0369C Prague HOSPODARSKE NOVINY in Czech 15 Sep 95 p 2

[FBIS Translated Text] Prague—The Czech National Bank (CNB) is at present not preparing to make any changes in the current fixed rate of exchange for the koruna. This rate will not be changed even by the adoption of the foreign exchange law; however, a change could be brought about by economic developments. This was noted yesterday by Josef Tosovsky, governor of the CNB, who was testifying before the Budget Committee of parliament, which has recommended that the government proposal of this law be approved by the Chamber of Deputies. He noted, at the same time, that the fixed rate of exchange cannot be maintained indefinitely. The economy is slowly approaching a crossroads at which a decision will have to be made as to how to proceed. The introduction of a fixed rate of exchange was made possible by the devaluation of 1990, and the reserves that were available have already been exhausted. The differences between the development of the Czech economy and the economies of the United States and the Federal Republic of Germany (the koruna is tied to the dollar and to the German mark), where there is, for example, only a 3-percent inflation rate, will gradually be requiring a "more flexible" rate of exchange system, J. Tosovsky stressed.

The governor of the CNB at the same time asserted that approval of the new foreign exchange law will not influence the status of foreign exchange reserves—they stand now at a level of $11.2 billion. Although the law cannot be expected to result in any inflationary impacts, there will also not be any more express growth impulses or more massive Czech investments abroad. According to Tomas Jezek (Civic Democratic Party), chairman of the Budget Committee, the law will not result in any radical change and will, primarily, make operations easier for businessmen—operations that now require special permits. But it will be a specific signal to foreign countries. After it is adopted, the Czech Republic will be in compliance with the conditions of Article 8 of the IMF Agreement on External Convertibility, as well as with one of the requirements for republic membership in the OECD. Full external convertibility will later result from additional liberalization measures instituted by the cabinet, which are dependent on economic developments. The Budget Committee has recommended that the CNB retain an adequate number of instruments for the regulation of the foreign exchange policy of the state. There should be no legal entitlement to foreign exchange licenses or permits that are intended to facilitate control over the most sensitive foreign exchange operations. Appeals against the rejection of submitted applications are reviewed only by the Banking Council of the CNB or by the Ministry of Finance, but not by the courts. The Constitutional Committee is proposing that courts hear the appeal. Governor Tosovsky also urged the accelerated approval of the law so that it would take effect at the beginning of October, together with the termination of the clearing account transactions involving Slovakia.

Programs Helping Small Businesses Examined

95CH0373E Prague HOSPODARSKE NOVINY in Czech 21 Sep 95 p 9

[Article by Jaroslava Kubu, director of the Department for Business Support of the Ministry of Economics: "The Results of the Realization of Business Support Programs"]

[FBIS Translated Text] The programs for support of small and medium-sized business efforts on the part of the Ministry of Economics of the Czech Republic for 1995 were approved by Government Resolution No. 674, dated 30 November 1994, dealing with state policy for support of small and medium-sized businesses in the Czech Republic in 1995. The full text was published in HOSPODARSKE NOVINY on 21 December 1994; abbreviated information was also presented by other media sources. The realization of the program was entrusted to the Czech-Moravian Guaranty and Development Bank (CMZRB), a joint-stock corporation.

Some 1.5 billion korunas [Kc] were allocated from the state budget resources to finance state support for small and medium-sized business undertakings. The acceptance of applications for support under conditions outlined in the programs for 1995 was begun on 1 February 1995.

In January of this year, the CMZRB continued to provide support under conditions outlined in the programs for 1994. In that period, some 47 applications were approved, while eight applications were disallowed because they failed to meet program criteria.

During the first half of the year, some 881 applications for support were received, of which 613, which fulfilled the conditions for one or another program, were approved. Another 136 applications were evaluated with positive results, but contracts were not concluded by the end of the first half of the year. The evaluation of 79 applications had not been concluded by 30 June. Only 53 clients were rejected for failure to fulfill program conditions or because they withdrew their applications.

Program Support

The fundamental principle behind the program support provided is to facilitate access to the necessary capital and to share entrepreneurial risks in the process of establishing and expanding small and medium-sized enterprises by the state. From this viewpoint, the decisive forms of support involve the price-advantaged guarantee, without which, in the majority of cases, entrepreneurs would not be able to obtain credit, as well as the contribution to defray interest payments, which, for entrepreneurs, represents particularly the reduction of financial risk during the most critical phase of realizing the developmental project. The contribution to help defray interest payments on credits was the most frequently requested form of support, both in the period under consideration and also in previous years, and is focused on the largest volume of entrepreneurial credits and consumes the largest volume of program resources.

Cumulative Overview of Support Rendered

On the basis of the positive evaluation of the applications presented in the course of the first half of 1995, the following support was provided for projects within the framework of the programs mentioned:

—82 guarantees for bank credits amounting to a total guaranteed volume of Kc404.4 million (that is to say, an average of Kc4.9 million per project). To these guarantees, price advantages were added, amounting to a total of Kc82.4 million, which is Kc1 million per guarantee provided;

—579 financial contributions amounting to a total of Kc262.9 million to defray interest payments involved in the realization of projects, which amounts to Kc450,000 per project;

—150 financial contributions amounting to a total of almost Kc1.4 million to defray a portion of the costs connected with utilizing the services of consulting firms in preparing entrepreneurial projects and for processing applications for support within the framework of the KONZULT program;

—37 financial contributions under the SPECIAL program, amounting to a total of Kc7.6 million to create 160 jobs that will be earmarked for citizens from problem population groups;

—One interest-free loan in the amount of Kc200,000 for the creation of conditions involved in the transfer of technologies within the framework of the TRANSFER program.

Applications for contributions to defray the cost of interest payments, which had been positively approved as of 30 June 1995, but for which the required contracts had not yet been signed with the applicants or where the evaluations had not yet been brought to an end, represent financial entitlements for the utilization of additional program resources amounting to approximately Kc150 million.

Based on the results of the first half of 1995, it is possible to state that the success rate for applicants is increasing.

Evaluation of Fundamental Programs

ZARUKA, START, ROZVOJ, and AESKULAP

The ZARUKA [Guaranty] program makes it possible, primarily for capitally weak entrepreneurs of small and medium-sized organizations employing up to 500 workers, to gain access to bank credits with the assistance of advantaged conditions, and thus it makes the realization of promising entrepreneurial intentions easier. It makes it possible to grant these entities price-advantaged guarantees of bank credits up to an annual level of 6 percent. Participation in this program facilitates combination involving all other programs of support to small and medium-sized business enterprises offered by the Ministry of Economics of the Czech Republic, and the duration of its existence is not limited as to time.

During the first half of 1995, a total of 82 guarantees involving a total guaranteed volume of Kc404.4 million were granted, with the average amounting to Kc4.9 million per project. Price-advantaged resources from the state budget were granted in the amount of Kc82.4 million. Within the framework of the ZARUKA program, some 34 guarantees were granted independently; the remainder were in combination with support provided for in other programs.

The START program is intended primarily for capitally weak small and beginning entrepreneurs who employ no more than 24 workers. The cumulative cost of the project may not exceed Kc10 million. The instrument for support in this case is a financial contribution in the amount of 4 percent to defray the cost of bank credit interest. Participation in this program facilitates its combination with support programs for small and medium-sized businesses under the ZARUKA, REGION, REGENERACE, SPECIAL, and KONZULT programs. The duration of the existence of this program is not limited as to time. Overall, projects in these programs in 1995 were allocated 454 contributions at a cumulative total of Kc170 million and 38 entrepreneurs received guarantees for an additional Kc87 million in credits. This program, including its combinations, was the most widespread in the period under consideration. Within the framework of the START program, more than 70 percent of the resources made available were realized.

During the course of January 1995, the START program made 13 contributions amounting to Kc6.3 million under conditions applicable for 1994.

The ROZVOJ [Development] program was focused, during the first half of 1995, upon accelerating the realization of entrepreneurial intentions in the okreses [districts] of Novy Jicin, Bruntal, and Karvina. Applicants meeting the criteria of the program were able to receive a contribution of up to 3 percent of their interest rate on bank credits, but no more than Kc5 million. In the area involved, 16 contributions amounting to a total of Kc25.1 million were made to programs for 1995, that is to say, approximately 10 percent of the contributions granted by the CMZRB.

During the course of January 1995, the ROZVOJ program made 11 contributions amounting to Kc17.4 million under conditions applicable for 1994.

The AESKULAP [Aesculapius] program is intended to support the development of private medical practices and pharmaceutical practices. This involves general physicians, pediatricians, gastroenterologists, gynecologists, and other specialized physicians involved in ambulatory care, including related services, and for the installation of basic types of pharmacies, as well as pharmacies having specialized positions for up to 20 employees. The amount of the contribution is 3 percent of the interest on bank credits and is paid out gradually, in conjunction with paying off the credits, but extends for a maximum of six years. The program can be combined with other programs and the duration of its existence is not restricted as to time. Support was provided under program conditions approved for 1995 to a total of 83 carriers of projects with the total amount of the contributions amounting to Kc43.9 million.

During the course of January, under conditions that prevailed for the year 1994, the AESKULAP program made two contributions amounting to Kc200,000.

Evaluation of Supplemental Programs

REGION, REGENERACE, SPECIAL, and KONZULT

In this group of programs, the REGION program is among the most significant. The purpose of the support is to increase the attractiveness of small and medium-sized businesses in selected economic problem regions having an extensively changed structure of production and to contribute to the formation of new promising jobs. A condition for including an applicant in the program is the provision of support by the fundamental START, ROZVOJ, and AESKULAP programs. The instrument for support is a contribution to defray the cost of interest payments on credits in the amount of 4 percent, not to exceed Kc3 million. Combination is also possible with all remaining programs. The duration of the existence of this program is not limited as to time. Overall, some 220 contributions valued at Kc117 million were made. Of the contributions granted, the largest share was focused on the territory of northern Moravia (33 percent), southern Moravia (25.5 percent), and eastern Bohemia (16.8 percent). This territorial breakdown is in agreement with the results for all of 1994. The regional distribution of granted guarantees is also similar. Following northern Moravia and eastern Bohemia, most of the grants were again made in southern Moravia.

The REGENERACE [Restoration] program supports the development of business in urban memorial reservations and zones through the form of contributions to defray the cost of interest in the amount of 3 percent. In combination with the fundamental programs, some Kc61 million were granted under conditions prevailing for 1995 in 77 cases, and involved 75 percent of the START program grants. Guarantees were made available to two applicants from eastern Bohemia in the amount of Kc11 million. In this program, Moravia, followed by eastern Bohemia, is also showing the greatest representation.

The SPECIAL program supports improvement of employment for citizens in problem population groups through the creation of new jobs for a period of at least four years. As a supplemental feature, the program is combined with any of the fundamental programs. It makes it possible to grant entrepreneurial entities a nonrecoverable financial contribution in the amount of Kc1,000 for each month during the period of four years for each new employee hired from a problem population group. This opportunity was utilized in the programs for 1995 by a total of 30 applicants and they were granted a contribution amounting to Kc6.09 million.

During the course of January, and reflecting conditions applicable for 1994, seven contributions from the SPECIAL program were granted and amounted to an overall amount of Kc1.5 million.

The KONZULT [Consult] program is aimed at providing financial support to entrepreneurs making use of the services of consulting firms in preparing their business projects. Within the framework of the program, which was approved for 1995, 142 contributions amounting to Kc1.3 million were granted and conditions applicable to 1994 resulted in the granting of eight financial contributions during the course of January 1995 amounting to Kc1.5 million.

Regional Distribution and Substantive Goals of the Projects Involved

Of the total quantity of supported projects within the framework of the programs of support for small and medium-sized business activities approved for 1995, 62 percent were submitted by private individuals and 37.1 percent by legal entities.

The average volume of costs of the supported project is Kc5.9 million. The largest share in the costs of individual projects is represented by construction investments—67.8 percent, and machinery and equipment—23.8 percent.

The largest number of contributions made to defray credit interest expenses were focused on the territory of northern Moravia—33.3 percent, southern Moravia—25.5 percent, followed by eastern Bohemia with 16.8 percent, and the remainder of the Republic with 24.4 percent.

Of the individual okreses, the largest number of contributions were made in Ostrava-Urban (39), followed by Hradec Kralove (235), Breclav (243), and Frydek Mistek (22).

The above distribution is approximately matched by the volume of contributions made, where northern Moravia with Kc101.7 million expressly predominates, with eastern Bohemia with Kc51.2 million running next, and southern Moravia with Kc45.8 million being next in line. The regional distribution of the guarantees granted is also similar. The largest number of guarantees was given on the territory of northern Moravia—41.4 percent; eastern Bohemia got 20.7 percent, and southern Moravia 17.2 percent. From the standpoint of volume, the largest volume of guarantees was granted on the territory of southern Moravia with 43.3 percent, followed by northern Moravia with 24.9 percent, and eastern Bohemia with 13.2 percent.

From the standpoint of substantive focus of the projects involved, the greatest volume of contributions went to defray the cost of interest payments for credits in industrial production (24 percent), next came health care (20.3 percent) and commercial activities (16.4 percent).

In terms of guarantees, the largest volume was made for construction output (39.8 percent) and industrial production (27.6 percent).

Conclusion

The status of the drawdown of financial resources from the state budget as of 30 June 1995, which were allocated to support small and medium-sized business enterprises, facilitated the expansion of the effectiveness of the ROZVOJ program over the entire territory of the Czech Republic as of 1 August 1995.

Diplomat Investigates Sale of Tamara to Kyrgyzstan

AU1411082795 Prague MLADA FRONTA DNES in Czech 9 Nov 95 p 2

[Article by "km": "A Diplomat Checked Whether Tamara Would Be Misused in Kygyzstan"]

[FBIS Translated Text] Prague—The Czech authorities sent a special emissary to Kyrgyzstan because of the doubts surrounding the coming export of the Tamara espionage radar to this Central Asian country.

This diplomat, who returned from Asia several days ago, was assured at the highest level of the Defense Ministry in the Republic of Kyrgyzstan that the entire business deal is in order and that the approved and signed documents are genuine.

The authorities, including the Security Information Service, became suspicious that Tamara could end up somewhere else than in Kyrgyzstan four months after the export of this unique passive radar was officially permitted in September. Among the three countries to which the Tamara from Kyrgyzstan allegedly could be transferred, Iran, suspected of supporting terrorism, has most often been mentioned.

The Foreign Ministry refused to say anything about the special visit to Kyrgyzstan. It only confirmed that the stand on the already approved export of Tamara has not changed—that is, the sale is problem-free. "Nothing has changed on our stand, not even after the mission. Everything goes as planned," Jaroslav Olsa Jr., adviser to the foreign minister, replied to the question regarding the result of the special mission to Kyrgyzstan.

The Foreign Ministry confirmed a month ago that this only approved export of the unique invention in a long time is being verified just to make certain. "Although the Republic of Kyrgyzstan authorities confirmed the authenticity of the documents, the ministry continues to pay close attention to this business deal," said Jaroslav Olsa Jr., who represents the department at the ministry that deals with arms trade.

RDP Group Abandons Arms for Civilian Production

AU1411081295 Prague MLADA FRONTA DNES in Czech 9 Nov 95 p 4

[Article by Jaroslav Kmenta: "The RDP Group Consortium Abandons Arms Development"]

[FBIS Translated Text] Prague—The only association of arms manufacturers in the Republic, the RDP Group, has abandoned its strategic plans for military production and will no longer coordinate domestic arms production or export arms. RDP Group Director General Viktorie Hradska said that the consortium board agreed to a business objective that abandons technical development of military equipment, originally one of the main goals of the consortium.

Hradska announced that the RDP Group will orient itself more toward financial and legal consulting. It will also trade but, in addition to arms, it intends to export and import nonmilitary engineering and electronic products.

"The guiding idea of my predecessor, Jan Vlcek, was that we would have a team of experts for the project preparation. I am leaving it to the manufacturers now," Hradska said.

In the future, the RDP should act as a coordinator only for Army order projects.

The personnel composition also changes in the RDP. Viktorie Hradska has just terminated five key experts on military issues. At the same time, however, the consortium began to cooperate with two important officials from the defense and interior sectors—the once head of the military secret service and still recently adviser to the defense minister, Petr Luzny, and former Economic Counterespionage Director Jan Sula.

"Dr. Sula has his own lawyer's office, and we use it for specific services. Engineer Luzny cooperates with an important U.S. firm and, if he needs something, whereby we can help him or he us, we get in touch," Hradska confirmed.

Petr Luzny, who was referred to as the future chief of staff once, is working in the U.S. firm Sybase, which focuses on information systems.

Observers from arms-manufacturing circles believe that the change in the RDP Group strategy is a result of the failures suffered by the consortium precisely in the military sphere. The consortium failed, for instance, in the tender for a lucrative military order for the modernization of the antiquated Soviet T-72 tank. Similarly, the arm sales did not do well.

The RDP Group consortium was founded in the middle of 1993, at a time when the individual enterprises fought for survival and maintaining the level of arms production.

Conflict Over Army Acquisition Orders

95CH0373B Prague HOSPODARSKE NOVINY in Czech 15 Sep 95 p 7

[Article by Petr Bakovsky: "Army Acquisition Orders Are the Source of Conflicts"]

[FBIS Translated Text] The storm that has been unleashed involving the selection proceedings of the Ministry of Defense (MO) attests to the importance of the acquisition orders that are involved. The overwhelming portion of the equipment used by the Army of the Czech Republic is obsolete and in need of modernization or modification. Last year, therefore, the MO published the main principles for modernizing the Army for the next 10 years. To accomplish these goals, the ministry has 4 billion korunas [Kc] at its disposal for this year, but intends to make an overall investment of Kc120 billion. Similar equipment is also in the hands of virtually all of the countries of the former Soviet bloc and a number of developing countries. A company that will be successful in one bid-tendering will have a better starting position with respect to additional bid tenders, particularly if the solution proposed by it is already being successfully used by the Czech Army.

The Army Has Managed To Protect Its Land Rovers

The first serious conflict broke out in connection with the competition involving small terrain vehicles, which was won by the Land Rover Defender, delivered by the Automobile Enterprise at Cesky Dub. Three applicants, all of whom produce vehicles on license, managed to work their way into the narrower selection round. Apart from the Land Rover, they included the Polish Tarpan, supplied by the Roudnice Engineering Plant and Foundry, and the French Trend A-11 Auverland, which would be finally assembled by the Avia Corporation. It was precisely the Avia Corporation that filed a grievance against the results of the contest, in which it cast doubt upon the share of Czech work involved in the deliveries of the Land Rovers. However, immediately after publishing the results of the competition, the Ministry of Defense declared that this share was around 30 percent for all three companies. The original decision was also confirmed by the investigative commission. However, negotiations regarding the deliveries and involving the winning firm were delayed for two months. This year, the Army was scheduled to receive 150 vehicles; in view of the delay, it will only receive 75 this year and the remainder will be delivered next year.

A Dogged Battle Involving Tanks

The dispute regarding the method for modernizing the T-72 tank is the sharpest of all the disputes involving public acquisition orders. After evaluating the results of the war in the Persian Gulf, where the Iraqi T-72 failed completely in combat involving U.S. equipment, it turned out that its fundamental modernization is essential. Of 39 domestic and foreign firms that were addressed in this respect, 24 had already participated in tank modernization sometime in the past—some of them in numerous regions. In the end, the Ministry of Defense selected five Czech and four foreign firms in nine areas—see the table below.

Area of Acquisition	Number of Participating Firms	Winning Firm
Fire-control system	15	Officine Galileo (Italy)
Radiation-detection and indicator system	3	PCO Warsaw (Poland)
Tank driver night-vision device	4	Meopta Prerov (Czech Republic)
Fire-protection device	4	Kidde Deugra (Germany)
Tank intercom facility	3	Mesit, Uherske Hradiste (Czech Republic)

Area of Acquisition	Number of Participating Firms	Winning Firm
Ammunition	1	Synthesia Pardubice (Czech Republic)
Navigation	5	Aviation Instruments, Prague (Czech Republic)
Electromagnetic range finder	1	Metra Blansko (Czech Republic)
Drive train, transmissions	3	Nimda (Israel)

A condition for the selection of the foreign firm was the guarantee that part of the production would take place in the Czech Republic. Officine Galileo offered 42 percent, PCO Warsaw as much as 100 percent, Kidde Deugra 73 percent, and Nimda offered the least amount—30 percent. The cost of the series products is supposed to amount to Kc47 million. The share of the production in the Czech Republic should amount to at least Kc25 million per tank, and, for the time being, 250 tanks of the overall number of 522 are to be modernized. However, the results of the competition for the fire-control system were questioned particularly by the French firm of Sagem, and the Nimda victory was particularly questioned by Skoda Plzen. However, the technical details of the competitive solutions can be judged only by specialists, so the companies are outdoing themselves in news statements regarding aspects in which they are better than their competitors and in outlining competitors' problems. For example, Skoda Plzen claims that the winning Nimda company underestimated the fact that the Allison transmissions, which it is proposing for use in the T-72, are manufactured to inch specifications, something that could cause significant problems in the Czech Republic, both with regard to the delivery of components and also in repairing engines, because all army repair shops would have to be equipped with special "inch" tools. Components for the transmissions are to be supplied by Praga, a joint-stock corporation, which, however, is disputing these suggestions by saying that the inch system would create no problems for it in manufacturing. Nimda does not figure on having to modify a number of work sites as a result of the complex design of the engine and transmission, which will be produced with computer guidance. In the event of a breakdown, the entire block is to be replaced piece by piece, an operation that should not take more than 20 minutes to perform. Repairs would be handled by one work site with trained specialists. Some criticism was of such a character that the Italian Officine Galileo wants to "pursue legal recourse" against the Sagem firm.

To Politicians, the Selection of Companies Has a "Peculiar Smell"

Dissatisfaction with the selection made by the Army was expressed, for example, by Stepan Popovic, president of the Association of Industry and Transportation; by Tomas Fejfar, deputy chairman of the Defense and Security Committee in parliament; and by Vladimir Budinsky, chairman of the Economics Committee of parliament. According to Budinsky, the basic problem lies in the fact that "prior agreements are concluded at the Ministry of Defense that tend to favor some companies"—but the Ministry of Defense resolutely denies this. Budinsky is also demanding the modernization of the law on public acquisition orders, which would provide more support for domestic producers in the military area. There is no dispute among specialists that the law needs to be amended. The Ministry for Economic Competition had already prepared the amendment long before the entire modernization case and the amendment is currently in its markup stage. The amendment is also intended to more precisely define the possibilities for submitting appeals against the results of the competition, which are currently formulated in much too broad a manner. The proposed amendment, for example, calls for the deposit of a certain amount of money when a protest is being filed.

Not Even Direction Finders Were Able To Evade Problems

Problems have occurred also with regard to the selection of direction finders for the Army. A competition valued at several hundreds of millions of korunas was temporarily halted by the Ministry for Economic Competition after its results were attacked by the majority of the rejected competitors. However, not all commercial public competitions announced by the Ministry of Defense end in such a "glare of headlights." For example, the competition for the selection of the personnel information system, which involved an order valued at almost Kc40 million, or the competition for delivery of other material equipment valued at Kc83 million, can be ranked among those that are free of problems. Other competitions were settled after the submission of protests, something the Ministry of Defense also does not consider to be anything unusual because "the assertion of objections is in line with the law." Both the proponents and also the opponents of the results of competitions thus tend to agree only on one aspect: The ongoing scandals will not help us to join NATO.

National Council Debates Foreign Policy Issues

Schenk Highlights Important Topics

LD1311175495 Prague Radiozurnal Radio Network in Czech 1500 GMT 13 Nov 95

[FBIS Translated Text] The Slovak parliament is debating the country's foreign policy. Here are more details from Bratislava by our correspondent Renata Havranova:

[Havranova] Foreign Minister Juraj Schenk responded in an unusually emotional way to the opposition rebukes concerning foreign policy of the Slovak Republic in the Slovak parliament today. The minister repeated that Slovakia's efforts to become integrated with the European Union and NATO was a constant feature of government policy. At the same time, he said Slovak foreign policy would never be a policy of empty gestures and servility to other countries. Slovakia does not intend to become an object of a geopolitical and geostrategic game but will always be governed by its own decision.

In this connection the minister appealed not to turn the issue of neutrality into taboo. According to Schenk, Slovakia will never become a Euro-orphan, even though the world judges Slovakia by measures different to those used for other countries undergoing transformation.

The minister said many European politicians should search their own conscience because they do not take the views of the Slovak Government into consideration and are reluctant to discuss their stances. The alleged insincerity of prominent world politicians is also not acceptable to Slovakia, as these politicians, on the one hand, allegedly acknowledge the sovereignty of Slovakia and, on the other hand, voice their regret over the demise of the federation.

With regard to the EU and the U.S. demarches, Foreign Minister Schenk said these demarches were not addressed to the government but all of Slovakia. He even said there prevailed stereotypes in Europe's opinion on Slovakia's domestic political development.

Schenk on Demarches, Internal Affairs

LD1311224995 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 2100 GMT 13 Nov 95

[FBIS Translated Excerpt] The 11th meeting of the National Council continued in Bratislava today. The deputies continued their debate on long-term tasks of Slovak foreign policy. In conclusion of the debate Foreign Minister Juraj Schenk delivered an address. He said, among other things:

[Begin Schenk recording] The demarches that have arrived were not received by the government, but by the entire Slovak Republic. Nobody in Slovakia denies that there are internal political problems here. What is significant and what is being stressed is that they must be tackled in a constitutional and democratic way and that other countries undergoing transformation have similar problems. However, in their case, the European Union did not send any demarches.

That is why we indeed think stereotypes prevail in the relation toward the Slovak Republic and in relation toward central European countries undergoing transformation — our partners often use a double standard. There is empirical evidence for this sort of allegation. Let met state some: How would you explain if a representative of a significant western European country notes during official talks that the former federation, admittedly, was divided in a model way, but he says he is sorry? Is it only lack of tact? Or is there a certain signal behind it? I am mentioning this because we were unjustly accused a short while ago of not being sufficiently sensitive in perceiving signals from our Western partners. But we do perceive them, even those they do not realize they are emitting. If things are happening in Slovakia, interference is permissible; if something very similar is happening elsewhere, nothing happens. Are there not conflicts inside in other countries of central Europe, between the president and the government and so on? [passage omitted]

How do you explain if a representative of a western European country says there are strong circles inside the European Union that do not wish for its expansion, but they seek pretexts to prevent it? How would you explain the statement of another highly positioned personality of another western European country that says the West is adopting Chamberlain-like rather than Churchil-like policy in relation to central European states, not only toward Slovakia? What can the outcome be if this conception gets active support from inside the state, even from its head?

We realize we are paying a certain price for independence. The birth of our new state, which is being understood as a threat, is still interpreted as creating trouble. Our development, however, has demonstrated this is not so. The division of the federation, the signing of the agreement with Hungary that significantly increases the stability in the region, as well as democratic and constitutional solution of the current problems, are a precedent and guarantee that the current problems will be solved in a constitutional and a democratic way. [passage omitted]

If someone really wants to help us, the best method is not to interfere in internal problems but to support pro-integrational forces. [end recording]

Amendment on Referendum Approved

LD1311212895 Bratislava STV 1 Television Network in Slovak 1830 GMT 13 Nov 95

[FBIS Translated Excerpt] The 11th meeting of the parliament continued today by ending a debate on long-term foreign policy tasks.

In the adopted resolution, the deputies acknowledged the report and recommended the government continue the foreign policy in the spirit of the government policy statement.

The agenda included also an amendment on the referendum and a government-sponsored bill on prices.

The amendment on the referendum mainly concerns the power to examine petition lists and, on the basis of that, to decide on announcing a referendum. According to the legal amendment valid so far, this power had rested with the president. Today, the deputies approved an amendment according to which this power is transferred to parliament.

The opposition deputies noted in the debate that the proposal curtails the power of the president, contributing toward concentrating power in the hands of the government coalition. According to Deputy Lubomir Fogas, this amendment is controversial in that it anchors, in one part, the duty of the National Council to examine petition lists, while in the next, it allows the National Council to entrust an independent institution with this task. [passage omitted]

DU Deputies' Expulsion Not on NRSR Agenda

AU1411082695 Bratislava PRAVDA in Slovak 8 Nov 95 pp 1, 4

[Interview with Ivan Gasparovic, chairman of the National Council of the Slovak Republic, by Nora Sliskova; place and date not given: "Policy Cannot Be Successful and Objective If One Roots for Only One Side"]

[FBIS Translated Excerpt] [passage omitted] [Sliskova] The Democratic Union [DU] has voiced the suspicion that you are preparing legislative changes aimed at expelling DU deputies from the National Council of the Slovak Republic [NRSR] and creating thereby a 135-member Parliament....

[Gasparovic] I can react to this only with a smile because Parliament has 150 members, and will have 150 members as long as it has substitutes. If it should not have substitutes, it would not have 150 members, of course. Nothing of that sort will be discussed at the current session, that is certain.

[Sliskova] The conflict between the prime minister and the president has been reverberating in society for many months. This conflict is one of the matters, over which the EU and the United States have expressed their concern. You once said that you would not be happy if this issue were to be solved in Parliament. According to the prime minister, on the other hand, the decisive step should come precisely from Parliament. What sort of development do you expect?

[Gasparovic] I do not think that it is possible to characterize this merely as a dispute between the prime minister and the president. The president has also found himself in a certain conflict with the majority of NRSR deputies. Yes, I did say that I would not be happy if this problem had to be solved on parliamentary soil. However, if this problem has to be solved, I think that Parliament is practically the body where it is possible to solve it.

[Sliskova] What solutions to this situation do you see?

[Gasparovic] The solution is for everyone bearing responsibility for something to consider to what degree he himself contributed to the situation, with which the citizens are dissatisfied and without which some problems—I am thinking of the problems of 5.5 million citizens—could be solved more quickly and unequivocally.

[Sliskova] During your recent visit to Germany, you also had talks on the political situation in Slovakia. What was their outcome?

[Gasparovic] This trip was extremely useful. I think that my talks can bring certain progress. I presented the opinion that one cannot conduct successful and objective policy if one roots for only one side. The conduct of some EU states is not quite common, especially with regard to the position of our republic in European politics. Our government and Parliament have emerged from democratic elections, they have been democratically elected. The EU states should consult, first and foremost, the democratically elected bodies of another state. Of course, the opposition must also be consulted for the sake of objectivity. No one is objecting to that. What is needed is for the EU to counterbalance this political activity in relation to our country.

[Sliskova] How did the German side react?

[Gasparovic] I am convinced that we agreed on the view that I presented. [passage omitted]

[Bratislava SLOVENSKA REPUBLIKA in Slovak on 7 November on page 3 carries a 500-word interview with NRSR Chairman Ivan Gasparovic by Dobroslava Krajacicova entitled "Parliament Will Not Discuss DU Petition Sheets." The place and date of the interview, with deals with the agenda of the 11th NRSR session, which opened on 8 November, are not specified. The interview includes the following passage:

"[Krajacicova] Does the agenda include the possible expulsion of DU deputies?

"[Gasparovic] The commission set up by the NRSR to investigate the DU petition sheets ended its activity when it submitted its report to the NRSR Mandate and Immunity Committee. The report, along with a proposed solution, should be submitted to Parliament by the Mandate and Immunity Committee. I have not officially received its report to date, which is why it has not been included on the agenda of this session."]

Secret Service Chief Forfeits Parliamentary Seat

AU1311195395 Bratislava NARODNA OBRODA in Slovak 9 Nov 95 pp 1, 2

[Article by Ivan Samel: "Deputies Formed New Parliamentary Committee To Check on the Compatibility of Posts"]

[FBIS Translated Excerpt] Bratislava—[passage omitted] At the outset of the 11th session of the National Council of the Slovak Republic yesterday, substitutes were sworn in for Movement for a Democratic Slovakia [HZDS] Deputies Ivan Lexa [director of the Slovak Information Service], Vojtech Tkac [state secretary at the Ministry of Labor, Social Affairs, and the Family], and Stanislav Husar [state secretary at the Ministry of Privatization], who have had to leave Parliament as a result of the coming into effect of the law on the conflict of interests. The newly sworn-in deputies are Andrej Fedor, Jana Sudekova, and Pavol Suchodolsky. Peter Brnak (HZDS) became chairman of the Constitutional and Legal Affairs Committee in lieu of Vojtech Tkac.

In accordance with the Law on the Conflict of Interests, the deputies elected 19 members of the National Council of the Slovak Republic [NRSR] Committee for the Incompatibility of State Officials' Posts. The committee will decide on the compatibility of deputies and state office holders' individual activities with the Law on the Conflict of Interests. The HZDS is represented on the committee by seven deputies, the Common Choice, the Hungarian Coalition, the Christian Democratic Movement, the Democratic Union, and the Association of Workers of Slovakia by two deputies each, and the Slovak National Party by one deputy. The eighth HZDS representative is Jan Cuper, chairman of the committee. [passage omitted]

[Bratislava PRAVDA in Slovak on 9 November on pages 1 and 3 carries a 750-word interview with Jan Cuper, chairman of the newly established parliamentary committee for the incompatibility of state officials' posts, by Rado Stevcik. In the interview, the place and date of which are not given, Cuper explains that, under the law, all elected office holders must submit to the committee by 31 March of every year a questionnaire listing all their activities. If the NRSR committee determines by a vote that some of these activities constitute a conflict of interests, the office holder will be given one month "in which to consider for which office he will opt."]

SDL's Weiss Discusses Promise of Resignation

AU1011092095 Bratislava NARODNA OBRODA in Slovak 6 Nov 95 pp 1, 2

[Interview with SDL Chairman Peter Weiss by Julius Gembicky in Bratislava on 4 November: "Peter Weiss: 'I Do Not Want Disputes About Myself at the Congress'"]

[FBIS Translated Text] At the SDL [Party of the Democratic Left] Executive Committee session, six months prior to the party congress, Peter Weiss made a surprising announcement that he will not run for the post of party chairman next May.

[Gembicky] How did you come to this decision? Have you reached it voluntarily upon thorough consideration, or after strong pressure from within the party?

[Weiss] My announcement that I have no ambitions to run again for the post of SDL chairman is a result of a thorough deliberation. It is my personal decision. I even surprised some fellow members of the Executive Committee. Of course, I am not leaving and will not leave politics. The motives of my decision are simple. I do not want the preparations for the congress to be marked by disputes over myself and personnel issues, a development similar to what we observe in the German SPD [Social Democratic Party of Germany]. Look, the SDL Republic Council opted for an independent opposition politics.

The fourth party congress—which, according to the preliminary plans of the Executive Committee, should take place next May—is in the works. It is no secret that different views on some issues exist in the SDL leadership. I am in favor of letting all the significant problems in shaping the political line of the SDL crystallize, so the SDL members and supporters can join in the preparation of the SDL program and political measures. I wanted to create space for this by my announcement. I believe it unavoidable that some issues, even personnel ones, become subject to not only a party internal discussion but a referendum. The SDL leadership that comes out of the fourth party congress should be formed accordingly. I would like to work in such a leadership.

[Gembicky] How do you feel in retrospect, should you have done this right after the Poprad congress?

[Weiss] In February the situation was different, and so was the political responsibility. The main thing now is that the fourth congress be well prepared in content, that it bring an interesting message to Slovak society. We have the ambition to prove that the SDL is a distinct political alternative for Slovakia. It is an alternative that does not build on hatred, political revenge, and quest for an enemy but rather on objective, expert cognition of the problems and the left-wing idea of a modern Slovak society based on principles of freedom, social justice, and solidarity.

[Gembicky] Despite your intention, by means of this decision, to make it easier for your party to concentrate in the pre-congress period on the program revival, the opposite could come true. I am referring to the concerns that the internal struggle over who is to become chairman would turn into the main topic to be dealt with by the entire SDL?

[Weiss] That is precisely the course of the congress preparations I want to prevent. Therefore I will continue to participate actively in the preparation of the long-term program for the SDL and in the creation of conditions for the entry of the SDL into the Socialist International and participation in the congress of this largest international political organization, and, of course, I will take part in the pre-congress discussion on the values and content of the democratic left-wing policy.

[Gembicky] Your major adversary at the congress, and candidate for the post of chairman, was Lubomir Fogas. Is your decision not to run a result of successful pressure by his supporters?

[Weiss] It is my private decision resulting from the feeling of responsibility for the party, to which I gave all my strength, and which is to celebrate its fifth birthday on 26 January 1996. It is not a matter of personal or group pressures but of a down-to-earth dialogue between political ideas and concepts. I would be disappointed if someone suspected me of not trying to make room for a matter-of-fact discussion. After all, I myself feel the need to expand my own political horizons. As chairman of the party, I was greatly involved in various, particularly parliamentary disputes and conflicts, and also in the defense and explanation of the steps taken by the SDL, even if they were not always the realization of my own ideas. I would like to engage more in the conception issues of the left wing and integration of the democratic left-wing forces. I want to get more involved in getting rid of the almost hateful and irreconcilable division of Slovak society.

[Gembicky] Would you accept even a theoretical possibility that your decision could result in an internal split in the SDL?

[Weiss] There have been rumors of the internal split in the SDL more than once, but none of us in the SDL leadership or deputies' club is so politically irresponsible as to disturb the political balance in our country, and to destroy five years of his own work in building the SDL.

[Gembicky] The opposition parties often suspected that the needed "magnificent" eight that Meciar needs to get the constitutional majority and impeach the president could be found within the SDL deputy ranks....

[Weiss] Excuse me for being unmercifully frank. I am offended by these constant suspicions. The SDL has never supported in the parliament any unconstitutional or antidemocratic measure. We have been suspected and accused without any evidence by those who managed to change several political jerseys over the past six years, who applauded the yells in the square that the penitentiaries are empty, and agreed, for instance, to opting for a pressure method in the vote on the Declaration of Sovereignty and Constitution of the Slovak Republic. The stance of the 13 SDL deputies, published also in NARODNA OBRODA, is unequivocal. I will reiterate its idea for those who have a short memory: The SDL will not support any anticonstitutional steps.

[Gembicky] The trend seeking the removal of the domestic political tension on the Slovak political scene is gaining strength in the public by ever more frequent speculations of concurrent resignations by President Michal Kovac and Prime Minister Vladimir Meciar. How far along would you go with these ideas? Do such speculations exist also within the SDL?

[Weiss] Yes, I myself have learned in my meetings with citizens that such feelings are gaining in force. People are simply tired of this destructive conflict that splits society and even families. They reject the philosophy of either me or him. That was one of the reasons for the SDL Executive Committee to appeal to the president and the prime minister that at the time of the discussion on Slovak foreign policy they submit their idea to the deputies of the National Council of the Slovak Republic and the citizens of how they intend to end the conflict, and sit down to a negotiation table in the interest of the young Slovak Republic.

Kozlik Says Demarches Due to Privatization

AU1311165995 Bratislava PRAVDA in Slovak 9 Nov 95 p 2

[Article by "jo": "HZDS Rally This Time Without Meciar"]

[FBIS Translated Excerpt] "There Will Not Be Peace in Slovakia, As Long as Kovac Is President," "Slovaks Will Not Give Up Meciar"—slogans such as these were depicted on the streamers that Movement for a Democratic Slovakia [HZDS] supporters yesterday brought to the regular rally of their movement, held traditionally in the "Na Pasienkoch" sports hall in Bratislava. [passage omitted]

Although Prime Minister Vladimir Meciar did not attend the rally, this had no effect on its thematic orientation. Apart from the traditional themes (the evil president, the abduction of his son to Austria, the forgery of signatures on Democratic Union petition sheets), the most frequent subject of individual speeches was the planned passage of the language law at the current session of Parliament. While Minister Olga Keltosova outdid everyone else in her caustic comments about the Slovak president and DU deputies, Deputy Prime Minister Sergej Kozlik presented, among other things, one remarkable thought. According to Kozlik, the true cause of "various demarches" were not some phenomena on our political scene but the fact that Meciar's government seeks to establish a domestic, Slovak stratum of owners and wants to retain control over strategic branches of the national economy. Apart from this, the rally proceeded in a calm, at times almost intimate, atmosphere.

Demonstration To Support Language Law Called

AU1411121095

[FBIS Editorial Report] Bratislava SLOVENSKA REPUBLIKA on 13 November on pages 1 and 2 carries a 1,000-word report by Jergus Ferko entitled "Voice of Hundreds of Thousands of Slovaks Is Calling — Give Support to the Law on the State Language." The report deals with a meeting of "the initiators of post-November 1989 meetings of Slovaks from southern Slovakia," held in Surany on 12 November, which, "in the name of hundreds of thousands of Slovaks from the south," called on "citizens from the whole of Slovakia" to come to Bratislava on Wednesday, 15 November, to give support to the passage of the language law by the Slovak Parliament.

The SLOVENSKA REPUBLIKA report provides the texts of two "appeals" adopted at the Surany meeting, which are addressed to "the Slovak nation" and to National Council of the Slovak Republic [NRSR] deputies.

The "Appeal to the Slovak Nation" reads: "We, the signatories of eight meetings of Slovaks from southern Slovakia in Surany, from where we have been demanding for five years special protection of Slovak as the state language, are calling on the Slovak nation and all our supporters to give every conceivable support, similarly as in 1990, to the passage on the NRSR Law on the State Language of the Slovak Republic.

"We invite you, Slovaks, to visit Bratislava on the day of the discussion of the bill, 15 November 1995, at noon, to manifest before the NRSR building and throughout the city adequately, peacefully, and in a civilized way your longing, and to express our common will, that Slovak as the state language be returned the position that undeniably belongs to it. We expect civilized and peaceful demonstrations for the passage of the law on the state language to be held also in other Slovak towns and villages, to give support to the efforts, exerted by us together with the Slovak Heritage Foundation and the Slovak Government, for a new language order in Slovakia. May Lord give that we need not undertake such steps ever again in the future."

The "Appeal to NRSR Deputies" reads: "Following up on the Slovak Heritage Foundation Appeal, we are addressing you in our capacity as signatories of eight official meetings of Slovaks from southern Slovakia in Surany. The five years of our joint struggle, waged in cooperation with the Slovak Heritage Foundation, with many of you, esteemed deputies, and with a large part of the Slovak nation, are culminating these days in the historic decision of the Slovak Parliament in favor of the NRSR Law on the State Language of the Slovak Republic.

"The majority of the Slovak nation; more than 340,000 signatures 'For Our Slovak Language'; hundreds and thousands of special wishes from the whole of Slovakia; hundreds of thousands of Slovaks, especially from the linguistically mixed areas; the agreement of minority representatives on the Slovak Government Council for Ethnic Minorities, with the exception of the Hungarian minority; and thousands of Slovaks living abroad are behind you.

"We who live in the Slovak south see how our fellow citizens of Hungarian nationality are being manipulated and politically misused. Hardly two dozens of politicians, people who have not become reconciled, and, it seems, never will, to Slovak state sovereignty and the new language order in Slovakia, disagree with the passage of the law on the state language.

"In the last three years, Slovak Parliament three times stooped to offend the Slovak language and the Slovak nation — with the so- called language law, the so-called law on [birth, marriage, and death] registers, and the so-called law on [bilingual] signposts.

"Esteemed deputies, you have the historic opportunity to set right the serious mistakes of the past. Do not fail!

"We are confident that, in the year of [Ludovit] Stur [Slovak "national awakener" who codified the literary Slovak language], you will live up to Stur's legacy and will give support to our efforts, as well as those of the Slovak Heritage Foundation and the Slovak Government."

Both appeals are signed by Eva Garajova, Stanislav Bajanik, Andrej Strycek, Jolana Ambruzova, Zdenka Anettova, and Jozef Steiner "in the name of hundreds of thousands of Slovaks from the south."

Party Leader Concerned Over 'Paid Demonstration'

LD0911145795 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1400 GMT 9 Nov 95

[FBIS Translated Text] Disquiet over the paid demonstration of citizens, which is allegedly being arranged by the government coalition to take place before the building of the National Council [parliament] during the debate on the so-called language law, was expressed at a news conference in Bratislava today by Laszlo Gyurovsky, deputy chairman of the Hungarian Civic Party. He explained that the agenda of the 11th meeting of parliament exactly states the date and hour for debating the law in question.

SIS Source: 'Chaos' Reigns in Service

AU0911193495 Bratislava SME in Slovak 8 Nov 95 p 1

[CTK report: "The SIS Is Allegedly Trying To Isolate the Persons Who Took Part in the Kidnapping of the President's Son"]

[FBIS Translated Text] Bratislava—Chaos and a "100-percent-plus effort" to conceal all of the information that could cast more light on clearing up the kidnapping of Michal Kovac Jr. reign within the Slovak Information Service (SIS) following the kidnapping of the president's son. This information was given to CTK by a source from circles very close to the SIS. This man, who contacted CTK outside the Slovak capital and who did not wish to be named, also confirmed the authenticity of the confession by a former lieutenant in the secret service who admitted to the former investigator in the press that he had taken part in the kidnapping of Kovac Jr. and accused SIS Director Ivan Lexa of directly commanding the operation. Among other things, the aforementioned source told CTK that "never before have secret service staff had to sign so many different injunctions as in the last two months," that is, from the time the president's son was abducted to Austria. He also said that the SIS is trying to isolate the persons who gave information on the operation and is also trying—according to him—to get rid of the SIS officers who are not unreservedly loyal to the current governing coalition.

Government Members Compared to Rabin's Assassin

AU0911132495 Bratislava NARODNA OBRODA in Slovak 8 Nov 95 p 2

[Article by CTK: "Duray: Assassins of the Type of Rabin's Murderers Are in Slovakia in the Government"]

[FBIS Translated Text] Bratislava—According to Coexistence Chairman Miklos Duray, the brutal assassination of Israeli Prime Minister Yitzhaq Rabin was caused by ethnic intolerance and fundamentalism. In this context, Duray indicated a certain analogy between the events in the Middle East and relations between the Slovak and Hungarian nations in Central Europe. "The intolerance that caused Rabin's death is also present in Slovakia," he declared. "Assassins of the type who took the life of Rabin are in our government," Duray stressed and drew attention to the nationalist tendencies in the present Slovak Government coalition. He gave as an example Slovak National Party [SNS] Chairman Jan Slota's statement that "the priority consideration must be the well-being of the state-forming nation." The minority politician said that, if he understands Slota's claim accurately, he knows very well what to call the SNS leader.

Growing Trend of Slovak Exports to EU

95CH0343A Prague LIDOVE NOVINY in Czech 11 Aug 95 p 14

[Article by "am": "Slovakia Benefits From Low Wages"]

[FBIS Translated Text] Prague—Only seven out of 10 workers at the Slovak Shipyards in Komarno made use of the opportunity in 1992 to purchase shares of their enterprise, as noted in THE WALL STREET JOURNAL. However, no one could be surprised because it was precisely a year ago that the shipyard ended up with a loss of 145 million Czechoslovak korunas [Kc]. The reason was the loss of the market of the former USSR.

However, the shipyard succeeded in making the transition to Western markets and the value of production in 1993 amounted to 2.3 billion Slovak korunas [Sk], with a profit of Sk158 million. The largest customer has become Germany. The shipyard has assured contracts through the year 1997. Those who did buy shares at Sk1,000 each made a profit. The price of the shares on the Bratislava Stock Exchange is now much higher—Sk45,000, as noted by THE WALL STREET JOURNAL.

Many other Slovak firms also recorded similar successes with respect to exports. The value of Slovak exports to countries of the EU [European Union] rose, in the first half of 1994, to $1.9 billion, and exports have become the principal engine driving the Slovak economy.

Slovak Exports in 1994

Country	Value (millions of U.S. dollars)	94/93 Index (in percent)
Czech Republic	2,483	7.5
Germany	1,152	39.2
Former USSR	391	- 1.0
Hungary	363	47.0
Austria	351	29.7
Italy	305	106.0
Poland	188	18.5
France	112	29.9
United States	107	142.3
Total	6,689	22.8

Based on research done by the American PlanEcon Company, it is evident that exports continue to grow. During the first quarter of this year, the pace of growth, in comparison with the same period of last year, increased by 27 percent, and the value of exports amounted to Sk59.8 billion.

Slovakia has thus become a knit exporter and its balance of trade has ended up with a surplus of $126 million, following the deficit of last year, which amounted to $887 million. Of course, this success figure is shared in primarily by the decline in imports, resulting from the introduction of a 10-percent import surtax.

The export activities of the Slovak Republic are concentrated upon large enterprises such as the East Slovakia Iron Works and the Slovnaft Corporation, which together "account for" one-sixth of the export volume. But even smaller enterprises, such as the previously mentioned shipyards, as well as the Ozeta ready-to-wear clothing manufacturer and the Biotika pharmaceutical enterprise, are doing well. All enterprises profit from low manpower costs, which are the lowest in central Europe, and from rising demand.

Army Commander Interviewed on NATO Admission

AU1411130195 Budapest MAGYAR NEMZET in Hungarian 11 Nov 95 p 7

[Interview with Army Commander Colonel General Janos Deak by Frigyes Varju; place and date not given: "The Smaller and More Efficient Hungarian Army Does Not Threaten Anyone"]

[FBIS Translated Text] [Varju] What have been the reactions to the NATO Partnership for Peace exercises recently held in Hungary? In the course of their preparations, it was often heard that this was the first military action to be carried out with really serious West-East cooperation. However, now that the exercises are over, there is complete silence about them.

[Deak] This may be because we are now evaluating the exercise and the same is taking place in NATO. We have already received the first feedback and the essence of this is that the exercise in question was successful from both a military point of view and a military policy viewpoint. In the course of the Partnership for Peace, together with a previous exercise held in the Czech lands, the exercise in Hungary was outstanding, because a high-level, commander cooperation took place. The first Partnership for Peace exercise was still for the training of peacekeeping units and this type of exercise finished with Cooperative Nugget; then, a new phase began for the training of commanders and staff personnel, but still for peacekeeping only. Of course, the time will come for a definitely joint tactical exercise with NATO, including commanders, staff, and troops. This development stipulates division-level cooperation by 1998. As for the recent Cooperative Light exercise, it was extremely useful for us to participate in this exercise because our officers learned much from it. I think that the NATO members and observers also had the opportunity to see the Hungarians' expertise and readiness for joint activity. I only heard praise from the various NATO leaders with whom I have spoken since then, although the official evaluation will end somewhere around the end of November and the beginning of December.

[Varju] The Hungarian soldiers were supposed to have been regarded as the best trained and the smartest in the exercise held in the United States and it seems that the official reaction to the recent exercise held in Hungary will also be positive. Has all this contributed to considering Hungary as a possible future venue for Western military exercises without the participation of Hungarians? Concretely, the possible exercise of British airborne troops in the Dunantul area.

[Deak] There are a lot of military training areas and firing ranges in Hungary and the Hungarian army does not need all of them, because the numbers of both our troops and their exercises are decreasing. It is a political, parliamentary, and state decision as to what to do with idle firing ranges; the same applies to the decision on whether to allow foreign units into Hungary for tactical training, for "rented exercises." We can only make suggestions in connection with this and, if our opinion is asked, we will say what exercise can be carried out under what guarantees.

[Varju] Would the Hungarian army benefit at all from a foreign military exercise on Hungarian territory?

[Deak] I cannot say now. If they used military buildings for their accommodation and supplies, it would be proper also to have the military budget benefit from such exercises. In addition, I say that such cooperation would also provide quite different benefits to our soldiers.

[Varju] Would you support tactical military exercises by foreign troops on Hungarian territory?

[Deak] First this must be discussed with the military leadership, but I think that I would support a moderate exercise without heavy weapons and without live ammunition, provided that it did not disturb the life of the civilian population or have a negative effect on the training of the Hungarian army. I think it is worth dealing with this question also because such military exercises can be imagined in other ways and within other frameworks as well if military integration between Hungary and NATO takes place.

[Varju] One can hear contradictory opinions about the timing of our expected NATO membership; they differ according to various politicians and the location of their speeches. In your opinion, how much time do we need to catch up with NATO?

[Deak] As I am not a politician, it is possible that I will give you an evasive answer. But joining NATO is primarily a political question. The conditions and demands formulated by NATO for future members also primarily refer to political conditions, namely, that the aspiring members must guarantee a stable democracy, civilian control over the army, a transparent budget, and many other things. Therefore, I do not think that it would be expedient to speak now about when we could join NATO. It depends on the 16 member countries and on every country that wants to join. We have already begun working on devising a system of conditions for joining and a 60-member group led by a general is currently working on adopting NATO rules and regulations. We would like to retrain our commanders in view of these regulations as soon as possible and to provide training compatible with NATO expectations in our military colleges from 1997. Of course, after we formally join NATO, there will be a transitional period in which we can supplement what is missing from our military technology. However, I would refrain from mentioning an acceptance deadline and I do not think that we will become NATO members today or tomorrow, although we would like this to happen as soon as possible. I think that by 1997 or 1998 at the latest the Hungarian army can reach a level of readiness with which we can influence the decisionmakers with great confidence.

[Varju] A new Russian political-military opinion, or rather warning, has emerged recently. According to Moscow's position, Russia might need to create a new military bloc together with some east European former Warsaw Pact member states if NATO's eastward expansion becomes a fact. What is your opinion about this?

[Deak] I must repeat that I am not a politician. However, I must draw attention to the fact that it seems that Russia cannot be excluded from the European processes. At the same time, I also agree that our NATO membership is the sovereign affair of Hungary and the NATO members. We see this alliance as the guarantee of our security and, no matter what situation Hungary gets into, it will not threaten the security of countries situated to its east.

[Varju] Until we join NATO, is the Hungarian army sufficient to guarantee Hungary's sovereignty? It is important to know this because some opposition politicians strongly criticize the army's reorganization efforts.

[Deak] Unfortunately, not everyone who criticizes us is thoroughly aware of the details of the medium-range and long-term plans connected with the reorganization of the Hungarian army, although we have offered to inform parliamentary deputies about it. To understand our situation, one first has to see that our present budget is unable to finance the army in its current configuration; at the same time, we must guarantee Hungary's sovereignty and maintain our defense capability in the transitional period up to our military integration. Of course, we must also prepare for NATO membership, while we also have to fulfill our international obligations. The army reorganization plans were drawn up in accordance with all this. Our army reorganization is not only an organizational and structural reorganization and not only a reduction in personnel; we are talking here about a total restructuring and reform of the Hungarian army. We have destroyed our surplus weaponry in accordance with the amount stipulated for Hungary in the Paris Agreement. The rest, however, remains in the possession of the Hungarian army. We continue to possess the stipulated number of tanks and other important equipment. So we are not at all reducing the amount of arms and military technology allowed us in the relevant quotas along with reducing our peacetime contingent! I would also like to point out that our army reorganization goes together with technical modernization. As is well known, the Hungarian army and the Border Police will be receiving a large number of armored personnel carriers, or BTRs, in exchange for the Russian state debt to Hungary. This means that we will be able to replace all the old armored combat vehicles of our land forces and this will change the mobility of our armed forces. There is also another project connected, among other things, with the modernization of low altitude air defense equipment and another project aims at modernizing regional air traffic control and radar systems. I could also mention the well known plans for the army to have some 70-90 tactical combat aircraft by the end of this decade, so we are now in the process of purchasing Western combat aicraft. Do not ask me about the type of these combat aircraft, because it will only become clear when the relevant tenders are issued.

[Varju] However, I would like to know whether the final decision will be a professional-military one or a political one?

[Deak] The national defense law stipulates that the National Assembly has to decide on the type and amount of our army's major technical equipment. The government is in charge of our operations. This also shows that the decision will definitely not rest with the military.

[Varju] There are politicians who point out the contradictions inherent in the reform of our armed forces: In their view, we are not only talking about a reduction in personnel but also about an unprecedented major rearmament. Therefore, they warn us of the possibility of a new arms race, a spiral in central Europe.

[Deak] The armies are being reorganized in both the East and the West and one can also notice that the number of troops are in inverse ratio with the quality of weapons. For example, an extremely large number of soldiers serve in our air defense radar system. One thousand soldiers cost about 300 million forints [Ft] a year, so the more than 5,000 soldiers serving in our air defense radar system cost us Ft1.5 billion a year and this does not include the cost of energy supplies to the old radar systems that use a lot of energy. If we succeed in reducing this number to a third or a quarter by purchasing modern technology, the cost of purchasing this modern equipment will be amply recovered from other sources. However, I would like to point out that we are not talking about exaggerated armaments here: The Hungarian army needs the most modern equipment only in certain areas, for example in air defense and airspace surveillance. Modernization is also essential in the area of communications, because NATO armies use digital telecommunications systems so, with our current technical level, our units would be unable to communicate with them. Nor can we talk about exaggerated armaments because, while international agreements allow Hungary to have 180 combat aircraft, we would like to keep only 70-90 combat aircraft and the number might even be smaller than that, because we are talking about a very expensive system here.

[Varju] The armed forces reform leads to an increase in the responsibility of our professional staff and this in turn requires an improvement in their financial situation. What ideas are there in connection with this? As we know, negotiations are being held today on wages between the bodies that represent interests and the minister and there has even been talk of a possible demonstration if no agreement is reached.

[Deak] The military trade union has already announced that the soldiers will not demonstrate, because they understand that the National Assembly will be discussing the service law this year, so their situation could be settled to their advantage. You should be aware that the ability of Hungarian soldiers and officers is rather high, their training in NATO procedures is under way, as is their foreign language training, so they pass any test. This general staff, officers, and warrant officers have worked hard in recent years and, thanks to them, the current internal state of the army and its ability to function are acceptable. However, the pay of professional staff is extremely low compared with their achievement. Therefore, we would like to increase this pay considerably! The law on military service to be approved by the National Assembly will provide the opportunity for this.

[Varju] The Belgian defense minister, who visited Hungary recently, said that he was counting on the help of the Hungarian army in the event of a dangerous situation in southern Baranja [in Croatia] where Belgian peacekeepers are also stationed. What does this mean for us?

[Deak] It is well known that peacekeeping troops and staff, as well as various convoys, can travel through Hungary with the permission of the Hungarian National Assembly. This includes the fact that additional peacekeeping troops or troops being withdrawn from the area can travel through Hungary if their security situation changes in any way owing to some kind of military action in the former Yugoslavia. The Belgian contingent stationed in southern Baranja and eastern Slavonia is in a special situation in the sense that these troops could only leave the area through Hungary if fighting renewed between the Croatian and Yugoslav armies in this region. Concretely, for the Hungarian army, this means that, if such a withdrawal of peacekeeping troops took place, we would provide them with temporary accommodation in Hungary.

[Varju] There are also rumors of the possible arrival of several tens of thousands of NATO soldiers in the area for a peacekeeping mission after the end of the Yugoslav conflict through negotiations. Military bases are allegedly already being prepared for them in Croatia. Would it be in Hungary's interest also to request similar duties, because Hungarian soldiers would meet NATO troops in their daily contacts in the course of organizing their supplies and this would not only benefit Hungary's image but might also benefit the date of Hungary's future NATO membership?

[Deak] Possible aid to peacekeeping troops is again a matter for a state decision. If a decision is made, we will provide the basic logistic support. I think it is too early to tell what kind of request we should have to fulfill. I can say, however, that, as a soldier, if I received a task similar to that of the peacekeeping troops, I would organize this in such a way that reserves would be locally available and in immediate depth and, of course, reinforcements would also be guaranteed.

Workers Party Supports Nonaligned Security Zone

AU1411082395 Budapest NEPSZABADSAG in Hungarian 10 Nov 95 p 7

[Interview with Workers Party Chairman Gyula Thurmer by Lajos Pogonyi; place and date not given: "Our Recipe Is Different—Chairman of the Workers Party Says"]

[FBIS Translated Excerpt] [Passage omitted] [Pogonyi] Publicist Miklos Haraszti of the Alliance of Free Democrats recently devoted a long article to you in NEPSZABADSAG under the headline "Gyula Thurmer's Glove." The introduction of the article said: The appropriate authority will soon announce that the Workers Party has collected a sufficient number of verified votes to force the calling of a prior referendum on NATO membership within a few days. It seems that the government will take the stance that the six parliamentary parties had enough mandates to initiate NATO accession, and it will itself request a referendum on its concrete conditions once the invitation has arrived.

[Thurmer] I am very happy that a well-known and distinguished public figure like Miklos Haraszti devoted so much attention to the Workers Party's anti-NATO referendum initiative. The leading Hungarian intelligentsia do not always understand what is at stake. Haraszti understood what the question is namely how we should allocate Hungary's position in the changing world. In connection with this, one can cherish illusions and hold fairy tale afternoons, but we must face the realities. Joining the EU means disadvantages as well as advantages. However, NATO is a different matter, it is a military organization whose explicit goal is the defense of the West in Europe and in the whole world. I do not think that Hungary's security could be guaranteed by NATO membership when the whole world is being restructured.

[Pogonyi] What else could be suitable for this?

[Thurmer] Our recipe is different. We believe that, as no one is threatening Hungary, we must primarily establish good-neighborly relations.

[Pogonyi] Why do you think that a possible Hungarian NATO membership would irritate the neighbors? They are also heading for this organization.

[Thurmer] The region's countries will certainly not be jointly admitted to NATO. Holbrooke, U.S. assistant secretary of state for foreign affairs, recently said that the applicant countries will be individually admitted to NATO. Imagine a situation in which we are already in NATO but, for example, Romania, Yugoslavia, or Ukraine are not yet. Think about how we would be looked at from Belgrade, Bucharest, or Kiev. Their leaders would ask us against whom we are joining NATO. In addition to harming bilateral relations, this would also have a negative effect on the Hungarians living in these places.

[Pogonyi] If not on NATO, then what secutiry pillar would the Workers Party insist on?

[Thurmer] Neutrality and nonalignment are such pillars. For example, Ukraine's government recently applied to join the movement of the nonaligned countries. The foreign policy of the Bulgarian socialist party government is heading toward neutrality. I was very sorry for President Goncz when, in the Sofia parliament, he explained the advantages of NATO membership, because most of the deputies did not applaud. Slovakia has a strengthening neutrality movement, in spite of the government statements. A security zone could be established with Switzerland, Austria, Hungary, Slovakia, and Ukraine, and touching on Bulgaria. This would protect us from the possible Russian seats of tension that NATO is so afraid of. In this security zone, we would not have to play the role of border fortresses like in the Turkish times [15-16th centuries]. This would alse mean political and economic advantages. This issue has to be decided. With the referendum, the government has to be brought into a certain forced situation. Otherwise, we will become part of NATO without the unfortunate Hungarian people being asked about it while the money spent on peace partnership is increasing every year in the budget.

[Pogonyi] Many government politicians say that it is too early to make people vote on an issue that is not yet timely.

[Thurmer] I cannot understand Foreign Minister Kovacs, or Defense Minister Keleti, or even Prime Minister Horn. They are saying before breakfast, lunch, and dinner that Hungary's goal is NATO membership. The Hungarian press is quoting western politicians—from Belguim and Luxembourg—every day, saying that they support our NATO membership. Horn obviously considers it a great success of his visit to London that the British stance on Hungary's NATO membership moved in a positive direction. On the one hand, it is requested, and on the other, it is being promised.... Compared to the current foreign policy, the Antall government had some merits. Although Antall took the Germans lying down, at least Hungary got a small room for maneuver in exchange. We do not need to overdo it in connection with NATO membership. [passage omitted]

Dunai Visits FRG, Envisages OECD Membership

AU1311192095 Munich SUEDDEUTSCHE ZEITUNG in German 13 Nov 95 p 20

[Report by "hhh": "Hungary Sees Chances of Joining OECD"]

[FBIS Translated Text] On the basis of his talks in Bonn and Munich, Imre Dunai, Hungarian minister for Trade and Industry, perceives a "firm schedule" for his country's western integration. "We will join the OECD in the beginning of 1996, and in 1997, we will commence talks on joining the EU," he says.

In an interview for SUEDDEUTSCHE ZEITUNG, he said that Hungarian exports to Bavaria rose by 43.9 percent in the first half of 1995, reaching 900 million marks [DM]. At the same time, imports to Hungary rose by 14.1 percent, reaching DM588 million. Total Hungarian exports to Germany in 1994 amounted to DM4.2 billion, and imports from Germany DM4.6 billion. The fact that exports to the "developed industrial countries" amount to 72 percent of total exports shows that the reorientation to world markets has succeeded, said Dunai. Sixty-four percent of the exports to these developed industrial countries went to the EU.

In Munich, Dunai met Bavarian Finance Minister Erwin Huber to discuss the use of the DM250 million loan from Bavaria and the DM500 million loan from the federation. But most of this money will be spent on introducing a new land registry system to Hungary. Dunai rejected criticism that Hungary had paid excessive prices for the hardware and software it needs to update its land registers. He said that the calculations of Hungarian experts had ruled out this suspicion.

Poll Shows SZDSZ Politicians Losing Popularity

AU1311191895 Budapest MAGYAR HIRLAP in Hungarian 10 Nov 95 p 5

[Report by "F.A.": "Socialists and Smallholders Again Neck in Neck—Low Flight of SZDSZ Politicians"]

[FBIS Translated Text] According to the Median Public Opinion Research Institute, among the definite voters, the Hungarian Socialist Party [MSZP] and the Independent Smallholders Party are in the lead, with 17 percent each. They are followed by the Alliance of Free Democrats [SZDSZ] (9 percent), the Federation of Young Democrats-Hungarian Civic Party [FIDESZ-MPP] (8), the Christian Democratic People's Party (7), and the Hungarian Democratic Forum (5). None of the other parties reached the 5-percent threshold necessary to get into Parliament. According to last month's survey published in the HETI VILAGGAZDASAG, which was based on popularity and recognition, President Arpad Goncz is still leading the politicians' list. Mrs. Magda Kovacs Kosa, the Socialist politician who resigned from her ministerial position, moved up to second place, with her popularity gaining 22 percent. The fact that the popularity of Free Democrat politicians has significantly decreased in the recent period is an important change. Having lost 9 percent, Education and Culture Minister Gabor Fodor is in the bottom third of the list, while SZDSZ Chairman Ivan Peto lost 8 percent and Budapest Mayor Gabor Demszky lost 6 percent in popularity. The 3-percent loss of Coalition Deputy Prime Minister Gabor Kuncze is just within the error margin. In addition to Mrs. Kosa, the popularity of Socialist Deputy Judit Csehak also increased significantly, by 6 percent, and FIDESZ-MPP Chairman Viktor Orban's increased by 4 percent. Orban is in first place among the opposition politicians and, in addition to him, FIDESZ-MPP Deputy Chairman Tamas Deutsch is among the first 10, occupying the eighth position. Deutsch's popularity improved by 1 percent.

The citizens' willingness to participate in elections has not changed since the end of summer: Every second person who was questioned said that he would definitely vote "if parliamentary elections were to be held next Sunday."

In October, the proportion of definite voters was 52 percent which is a 2-percent decrease compared to August. Some 14 percent of the questioned people said that they might vote. Out of the uncertain people, 8 percent said that they might not go to vote. The proportion of those who definitely would not vote increased from the August 22 percent to 24 percent. One percent of people do not know whether they would vote, the Median's public opinion poll carried out on a sample of 1,200 shows.

Ohio Talks Reach Final Stage; Sarajevo Remains

LD1311205295 Belgrade TANJUG in English 1958 GMT 13 Nov 95

["Pool" item]

[FBIS Transcribed Text] New York, Nov 13 (TANJUG) — At the talks on Bosnia-Herzegovina in Dayton, Ohio, most the peace papers are starting to get their final form, according to media reports from Dayton Monday and to diplomatic sources in New York.

Sarajevo remains the greatest problem — i.e. the question of its status in the future single state of Bosnia-Herzegovina divided into two state entities — the Muslim-Croat Federation and Republika Srpska (R.S.-Bosnian Serb state).

It has been learned that the U.S. has proposed that Sarajevo be given the status of a separate joint city, similar to Washington which, as the district of Columbia, is territorially separate from the two federal states in whose territory it is located — Maryland and Virginia.

This issue however remains unresolved, as does that problem of expanding the Serb corridor near Brcko, northern Bosnia.

Some territorial problems also remain unresolved, and constitutional prerogatives of the future central administration bodies in Bosnia remain undefined.

At the same time, the talks on issues to be tackled once the peace agreement on Bosnia is reached are also being finalized in Dayton.

One of those issues seems to be resolved — the chief commissioner for the implementation of the peace agreement will probably be the European Union peace envoy, Former Swedish Prime Minister Carl Bildt.

Croats Insist on 'Acceptable Solution'

LD1311184495 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1700 GMT 13 Nov 95

[FBIS Translated Text] A statement issued by the office of the president of the Presidential Council of the Croat Republic of Herzeg-Bosnia says:

After the agreement on the revitalization of the Federation of Bosnia-Herzegovina was signed in Dayton on 10 November, talks this week are focused on the most sensitive issue — the maps that should be enclosed for the final peace agreement for Bosnia-Herzegovina. In Dayton, as well as in the country, numerous different maps have been presented by all negotiating sides, of course including draft maps by the Contact Group which abide by the original proposal on the principle of the division of territory in a ratio of 51 to 49 percent.

It has unofficially been learned in Dayton that negotiators have been informed about all the proposed maps; international envoys, primarily U.S. military experts, have been paying round-the-clock visits to the places where separate negotiating teams are accommodated, in an attempt to reach solutions acceptable to all.

The Croat part of the Bosnia-Herzegovina negotiating team led by Kresimir Zubak, president of the Federation of Bosnia-Herzegovina and president of the Presidential Council of the Croat Republic of Herzeg-Bosnia, and including Jadranko Prlic, deputy prime minister of the Federation of Bosnia-Herzegovina and prime minister of the Croat Republic of Herzeg-Bosnia, and Mato Tadic, justice minister of the Federation of Bosnia-Herzegovina and minister of justice and administration of the Croat Republic of Herzeg-Bosnia, are trying — in this decisive game with maps, and acting from a position of an equal participant in negotiations — also to include maps which proceed from the full observance of national interests of Croats in Bosnia-Herzegovina.

Zubak, Prlic, and Tadic have four or five separate meetings a day with international mediators and are also conducting separate talks on the maps within the Bosnia-Herzegovina delegation. The Croat part of the delegation resolutely supports the inclusion of Bosnian Posavina within the Federation of Bosnia-Herzegovina, believing that Croats have lived there since time immemorial and that they constitute a majority. In addition, Bosnian Posavina was defended also in this war by the blood and lives of Croatian defenders. By its geostrategic position it is of particular importance for Bosnia-Herzegovina and the Republic of Croatia. In order to preserve the existence of Bosnian Posavina, and bearing in mind the overall context of negotiations, negotiators on behalf of the Croats in Bosnia-Herzegovina are ready for some territorial concessions in the newly liberated areas [western Bosnia]. They will persist in this position even at the price of walking out of further negotiations if an acceptable solution for the Croats in Bosnia-Herzegovina is not reached, the statement says.

LBO Claims Belgrade, Zagreb Pressure

AU1311164895 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 13 Nov 95

[Report by unidentified correspondent]

[FBIS Translated Text] According to the Liberal Bosniak Organization [LBO] of Bosnia-Herzegovina, the peace negotiations in Ohio are being conducted under unfavorable conditions for the Bosnia-Herzegovina delegation. This is confirmed by the constant pressure by Belgrade and Zagreb aimed at dividing Bosnia-Herzegovina and by the continuation of ethnic cleansing. This was stated, among other things, at today's news conference of this party. [words indistinct] reports:

[Correspondent] LBO Deputy President Salih Foco spoke about the current political situation in our country and the course of the peace negotiations in Dayton. He presented the views of [word indistinct] representatives of the Republic of Bosnia-Herzegovina [words indistinct], mentioning this as a possibility for a peaceful solution to the crisis. However, the negotiations are being conducted under unfavorable conditions for the Bosnia-Herzegovina delegation, as Belgrade and Zagreb are constantly exerting pressure to divide Bosnia, which [words indistinct].

The so-called Serb authorities in Banja Luka have decided to release 1,400 prisoners of war and expel them from the occupied territory. Since these prisoners are mainly civilians who are kept in concentration camps, this represents a new form of ethnic cleansing [words indistinct]. It will be impossible to establish peace with those who conduct this genocide policy and [passage indistinct].

Commenting on the accord on the Federation of Bosnia-Herzegovina, Salih Foco said that it represented the continuation of the document that had already been signed. He said that preconditions for the practical application of the (?agreement) must be created. He said that the new agreement had many limitations. The main one is the setting up of an enormous administration. This can be concluded from the separation of the republican and federal government and the setting up of authorities at four levels: municipal, cantonal, federal, and republican. This will result in an expensive state that will not be able to improve the social position of the population, especially if one takes into account the fact that the federal government has not made any provisions for social care in its budget. There is a question how the war disabled, the families of the killed fighters, and other disadvantaged categories of the population are going to [word indistinct] their social status.

HDZ Commends Agreement on Federation

AU1311210995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 13 Nov 95

[FBIS Translated Text] The Presidium of the Croat Democratic Community [HDZ] of Bosnia-Herzegovina today held a session chaired by its president Dario Kordic. The Presidium discussed the agreement on the implementation of the Federation of Bosnia-Herzegovina, especially the implementation of the provision concerning the return of refugees to the towns of Bugojno, Jajce, Travnik, and Stolac.

After a general discussion, several assessments and conclusions were adopted. We carry the conclusions in full:

Consistent in implementing the policy of the HDZ of Bosnia-Herzegovina, fully committed to a peaceful solution to the state crisis in Bosnia-Herzegovina, truly interested in the end of the war based on the principles of a just peace, and taking into account the Croat national interests as a whole, we support the spirit and content of the agreement that represents the implementation of the Washington Accord.

This agreement is the result of a comprehensive, consistent, principled, and continual policy of the HDZ, which has outlined and is ensuring the full protection of the rights and interests of the Croat people as a whole. The value of this agreement that represents a process of finding a comprehensive peace solution for Bosnia-Herzegovina is thus greater as it enjoys the full support of the international community, offers an integral solution to the Croat national question, and facilitates the end of the war and the settlement of the crisis in the former Yugoslavia.

The agreement on the implementation of the Federation of Bosnia-Herzegovina as an integral part of the comprehensive peace solution for Bosnia-Herzegovina is the result of the existence and functioning of the organizations of the Croat people in Bosnia-Herzegovina, such as the Croat Community of Herzeg-Bosnia, the Croat Republic of Herzeg-Bosnia, and the Croat Defense Council, which have defined and protected the state interests and regions of the Croat people in Bosnia-Herzegovina. Their achievements have served as the basis for developing the negotiating position and have ensured the state-building right of the Croat people in Bosnia-Herzegovina, independently of the possible solutions of the comprehensive peace solution for Bosnia-Herzegovina.

The Presidium has extended full support to the work of the representatives of the Croat people on the return of the refugees to the towns of Bugojno, Jajce, Travnik, and Stolac, notwithstanding the clear view of the HDZ of Bosnia-Herzegovina on the return of refugees and displaced persons according to the all-for-all principle. The Presidium has expressed satisfaction with cooperation and readiness of the Bosniak-Muslim side concerning these activities.

The Presidium has charged all organs of the HDZ of Bosnia-Herzegovina, the authorities of the Croat Republic of Herzeg-Bosnia, the Croat officials in the Federation of Bosnia-Herzegovina with resolute and responsible work that will ensure the best possible conditions for living and protection of the Croat people in the transitional period, and create conditions for the possible application of the obligations undertaken with the agreement of the Croat people within the set deadlines.

The Presidium has expressed its support to the efforts made by the representatives of the Croat people in Dayton on everything that they have done so far, especially with regard to the agreement on the provisional statute for the town community of the Mostar municipality, and some tasks in the continuation of the talks on the constitutional matters and other solutions for the general peace agreement for Bosnia-Herzegovina aimed at providing a clear definition of all important issues regarding the realization of sovereignty, equality, and the protection of other rights.

The Presidium has condemned the malicious and inappropriate attacks by the Bosniak Muslim media on the officials of the Croat people in Bosnia-Herzegovina, describing them as intentional opposition to the spirit, content, and implementation of the agreement that has been signed. It also calls for the cessation of such methods and methods, the communique issued by the Presidium of the HDZ of Bosnia-Herzegovina states.

Karadzic's Office Denies Karadzic, Mladic To Retire

LD1411095595 Belgrade SRNA in Serbo-Croatian 0852 GMT 14 Nov 95

[FBIS Translated Text] Sarajevo, 14 Nov (SRNA) — Speculations about the voluntary withdrawal of Radovan Karadzic, president of the [Bosnian] Serb Republic, and General Ratko Mladic, commander of the main headquarters of the Serb Republic army, from post-war Bosnian politics are energetically rejected, the office of the president of the Serb Republic told SRNA today.

President Karadzic is simultaneously the president of the Serb Democratic Party, a powerful and considerable political force, and even if he wanted to do so he could not accept retirement from politics because of his responsibilities to the party.

The replacement of Gen. Mladic is also out of question and it is not something that can be imposed by either the Bosnia-Herzegovina Federation or the international community.

Both President Karadzic and Gen. Mladic will stay in their positions, responsible only to their people, because in any case the war was caused by the Muslim aspiration to subjugate the Serbs in former Bosnia-Herzegovina, the office of the president of the Serb Republic said.

Banja Luka SDS Pledges Support

LD1411110495 Belgrade SRNA in Serbo-Croatian 0925 GMT 14 Nov 95

[FBIS Translated Excerpt] Banja Luka, 14 Nov (SRNA) — The Banja Luka municipal committee of the Serb Democratic Party [SDS] last night pledged its full support to [Bosnian] Serb Republic President Radovan Karadzic, and to General Mladic, commander of the main headquarters of the Serb Republic army. The committee energetically rejected the demands of international power brokers for their replacement.

The committee's expanded session, which was attended by members of the party's main committee in Banja Luka and by the chairmen of all 57 local committees, rejected with indignation the accusations of alleged war crimes against two people but aimed at "collectively condemning the Serb people in the Serb Republic."

The main conclusion of the session was: "If the international community is governed by the principles of justice, then it should raise charges against Croatian President Franjo Tudjman, who forcibly expelled more than 700,000 Serbs from their homes, and against Muslim leader Alija Izetbegovic, who is solely responsible for the civil war in the territory of former Bosnia-Herzegovina." [passage omitted]

Karadzic Denies Talking to SVET About Peace

LD1011110095 Belgrade SRNA in Serbo-Croatian 0951 GMT 10 Nov 95

[FBIS Translated Text] Sarajevo, 10 Nov (SRNA) — The office of the of [Serb] Republic president announced last night that the Novi Sad bi-weekly SVET did not conducted any kind of interview with of Serb Republic President Radovan Karadzic following the peace conference in Dayton.

The statement, dispatched to SRNA, says: "The Novi Sad weekly SVET misused statements made by Radovan Karadzic on earlier occasions for other media in an attempt to boost its circulation."

Martic: Erdut Accord 'Defeat of All-Serb Policy'

AU1411094995 Banja Luka Srpska Televizija in Serbo-Croatian 1930 GMT 13 Nov 95

[Report by Rade Malesevic]

[FBIS Translated Text] The basic provisions of the agreement on the district of Slavonia, Baranja, and western Srem that was signed yesterday in Erdut will soon deprive these Serb areas of their army and police. The so-called transition administration will ensure the return of refugees and other people from these areas, but also of the Croats. And what did Milan Martic, once an icon of Serb resistance to the ustasha movement, still president of the Republic of Serb Krajina, have to say about all this, about the Erdut agreement in particular?

[Martic] First of all, I would like to say that the agreement signed in Dayton and verified in Erdut is diametrically opposed to my national, patriotic, moral orientation. Unfortunately, the prediction I made after the fall of the western part of Krajina — that a capitulatory policy of the Serbian regime will lead other Serb nations into disaster — has come true. I feel desperately sorry for that nation, and I am very much concerned about what will happen in the future. I simply cannot accept those guarantees because I know very well what such guarantees have amounted to so far. We had the Vance plan, i.e. a territory that was protected by the United Nations, and we know what happened. Those who remained behind in the western part of the Republic of Serb Krajina, in western Slavonia, in the Knin Krajina, Banija, Kordun, Lika — old people and children — are suffering today, while concern is the only reaction of the UN Security Council. In short, there are no guarantees.

[Unidentified interviewer] Article 13 of the agreement is very interesting. It says that the Government of the Republic of Croatia shall fully cooperate with.... That really means that this is Croatia, and that Croatia will do as it pleases.

[Martic] Of course. The Government of Croatia has agreed that observers, international mediators would come to the area. If it should disagree, they can be withdrawn in three to four months. In other words, they have approved that. This clearly shows that this is the Croatian territory. We can now praise the agreement and say we have achieved something, that we will live in peace, that our goal to grant our people all civil and human rights has been realized. There are many ways of praising the agreement in the media that are controlled by the Serbian regime, but the fact remains that this is the defeat of all-Serb policy [svesrpska politika]. [end Martic]

If there is no alternative to peace, does that mean that the Serbs from the remaining parts of the Republic of Serb Krajina that are now called a district must convert to Catholicism, or pack their suitcases and head for the unknown again? Our mother country has already said that everyone will have to return to the areas from which they were brutally expelled.

UNHCR Envoy: Serbs Continue 'Ethnic Persecution'

AU1011130595 Paris AFP in English
1252 GMT 10 Nov 95

[FBIS Transcribed Text] Sarajevo, Nov 10 (AFP) — Ethnic cleansing of minorities continues in Serb-held Bosnia where displaced people are forced to live outdoors in the freezing cold, the UNHCR special envoy for ex-Yugoslavia said Friday.

"Ethnic persecution is still continuing and the violence that goes with it," UN High Commissioner for Refugees special envoy, Anne-Willem Bijleveld, said. "This is especially so in areas of Serb held Bosnia," he added.

He said non-Serbs in and around the Banja Luka region, a Serb stronghold in northern Bosnia, were in some cases living outdoors without shelter or camping in the agency's office in the town.

"It will be difficult for these people to survive the winter if they do have adequate shelter," the special envoy said.

Bijleveld also expressed his hope that peace talks underway in Dayton, Ohio would provide a framework for the protection of minorities in any agreement signed and allow people to return home in an "orderly" fashion.

The presidents of Bosnia, Croatia and Serbia are negotiating under U.S. auspices an end to the three and a half year conflict in Dayton.

"Unless there is a change in attitude (towards the treatment of minorities) we are afraid that peace may remain extremely fragile," the special envoy warned.

The conflict in Bosnia has been marked by massive shifts in population particularly of Moslems from Serb-held areas. Many remained in Bosnia but tens of thousands have taken refuge in third countries and are expected to return should a successful peace deal be concluded.

Bijleveld said "well over a million" people could be on the move following the implementation of an accord. He said the UNHCR was "planning for the repatriation ... and we are ready to take a lead role in facilitating this process."

However, he added: "It is important that this takes place in an orderly manner. Otherwise we could get into terrible chaos which could lead to more conflict."

Hague Tribunal Indicts Six Bosnian Croats

AU1311111195 Paris AFP in English
1101 GMT 13 Nov 95

[FBIS Transcribed Text] The Hague, Nov 13 (AFP) — The UN tribunal probing war crimes in ex-Yugoslavia on Monday [13 November] announced the indictment of six Bosnian Croats accused of almost wiping out the Moslem population in a region of central Bosnia.

The crimes carried out by the six suspects were "perpetrated on such a large scale and were so systematic that they led to the destruction and the displacement of almost the entire Moslem population in the Lasva valley" between May 1992 and May 1993, Christian Charrier, the tribunal spokesman said.

The main suspect is Dario Kordic, 35, the so-called vice-president of the Croat population in Bosnia-Herzegovina and a member of the ruling Croatian Democratic Union (HDZ) in Zagreb.

The other five are, Tihofil "Tihomir" Blaskic, regional commander of the Croat Defense Council [HVO]; Mario Cerkez, 36, commander of a Croat brigade in the town of Vitez; Ivzan Santic, 53, the mayor of Vitez in May 1992; Pero Skopljak, 52, the police chief in Vitez between October 1992 and May 1993; and Zlatko Alesovski, 35, the warden of the Kaonik prison between January and May 1993.

The six are accused of crimes against humanity and violating the 1949 Geneva convention on human rights and conventions covering conduct in war.

Charrier said warrants for their arrest had been delivered to authorities in Bosnia and Croatia.

The indictments raise to 52 the number of people charged by the Hague-based tribunal. The suspects include 45 Serbs and seven Croats.

Serb Courts Charge Muslim, Croat War Criminals

LD0911193695 Belgrade SRNA in Serbo-Croatian 1818 GMT 9 Nov 95

[FBIS Translated Excerpt] Sarajevo, 9 Nov (SRNA) — Serb Republic President Radovan Karadzic had talks in Pale today with representatives of the Serb Republic civilian and military courts on material and personnel problems in their work and the difficulties they have encountered in prosecuting people suspected of committing war crimes.

Stressing that the objective of the meeting was to strengthen the law-governed state, President Karadzic said that the talks produced a clear insight into the situation in the judiciary and to what extent their decisions were observed.

"It is necessary to adopt a decision that those who have been sentenced can no longer engage in private business activities nor take up any official state duties," Karadzic said.

It was stressed at the meeting that economic crime cases should be dealt with in a faster and more efficient way, as should be done with war crime cases.

It was particularly stressed that Serb Republic criminal law has the same approach toward treating war criminals as international criminal law; it was also said that all legal conditions existed for the Serb Republic courts to prosecute war criminals.

According to a report drawn up by the Supreme Military Court, in the past year military courts dealt with 448 cases in connection with crimes against the Serb Republic Army, 69 cases in connection with crimes against life, and 18 cases in connection with crimes against personal property.

The report sets out that since the Supreme Military Court was set up in 1992, military prosecutor offices received 36,017 requests for bringing criminal charges. Of these, 1,502 criminal charges have been brought against Muslim and Croat war criminals before civilian courts.

Representatives of civilian and military courts have stressed that proceedings for war crimes committed against the Serb people have been instituted against a great number of persons, but that only a few have been solved, due to incomplete evidence.

Representatives of the war crimes commission have emphasized the importance of bringing charges against Croat and Muslim leaders who had issued orders for war crimes to be committed against the Serb people. [passage omitted]

Croatian Troops Attempt Breakthrough Near Trebinje

LD1311132195 Belgrade TANJUG in English 1202 GMT 13 Nov 95

["Pool" item]

[FBIS Transcribed Text] Bileca, Nov. 13 (TANJUG) — Croatia's regular army launched Sunday [12 November] the strongest attack on Serb forces in Herzegovina since a ceasefire went into effect on Oct. 12, Bosnian Serb sources said.

Troops of neighbouring Croatia attempted a breakthrough on the Trebinje section of the Herzegovina front, the military sources specified.

They said the Serb side had countered the attack and the fighting had continued late into the night.

It was somewhat calmer on the Trebinje section of the front Monday morning, according to the Serb sources.

The sources said the fighting had broken out after Croatia's forces had opened heavy fire from artillery pieces and small arms on the southern approaches to Popovo Polje west of the town of Trebinje and then attempted an infantry breakthrough.

The military communique said after the Serb side had strongly resisted the attack, Croatia's troops were driven back to their initial positions.

The Serb command will inform relevant international factors about Croatia's violation of the ceasefire for all of Bosnia-Herzegovina, the communique said.

Serb military sources also reported that Bosnian Muslim forces on Mount Treskavica, about 50 km southeast of Sarajevo, had opened fire several times at Serb positions.

Bosnian General Fears Muslim-Croat Conflict Likely

LD1411005495 Belgrade TANJUG in English 0045 GMT 14 Nov 95

[FBIS Transcribed Text] Copenhagen, Nov. 13 (TANJUG) — Bosnian Moslem Army Commander General Jova Divjak has stated that tensions between Bosnian Croat and Croatian regular army troops, on one side, and Moslem troops, on the other, are threatening to turn into an armed conflict.

Gen. Divjak said in an interview published Monday by the Danish daily POLITIKEN that Bosnian Moslems had requested that Croatian troops withdraw from Bosnia within 60 days after the signing of a peace agreement.

Divjak said he was afraid this might not work out, and said he therefore feared that Moslems would have much trouble with Croats.

He said that at this point all depended on Croatian President Franjo Tudjman's political goals.

POLITIKEN said joint Bosnian Moslem, Croat and Croatian regular Army troops had seized a large part of the Bosnian Serb territory in an offensive launched in September.

Croats now refuse to allow Moslem refugees to settle down in the towns that are under their control, the paper said.

Divjak said over the past few weeks there had been quite a number of clashes in which seven soldiers were killed, while Moslem women had been assaulted and raped. He said a woman had even been killed.

Divjak said both Moslems and Croats were playing a dangerous game in central Bosnia.

'We control several villages and areas that used to be populated by Croats where they want their refugees to return. On the other hand, they control the territory which Moslems want to retake,' he said.

Divjak said he believed the key to the problem was a resolution of the issue of Mostar, a town in Herzegovina that is divided into the Croat and the Moslem section.

'At this point, the situation is so strained that I am confident there will be a conflict,' he said.

Following a year of bitter fighting for the control of the territories with mixed population, Bosnian Moslems and Croats bowed to U.S. pressure and signed in Washington in March 1994 an agreement to set up a binational federation that has for the lartest part remained a dead letter.

Serb Officer Blames Politicians for Defeats

AU1411101095 Pale SRPSKA VOJSKA in Serbo-Croatian 3 Nov 95 pp 8-11

[Interview with Lieutenant General Manojlo Milovanovic, chief of staff of the Bosnian Serb army, by Borislav Djurdjevic; place and date not given: "The War Is Not Over Yet"]

[FBIS Translated Excerpt] Everything that has been happening on the military-political plane, first in the western part of the Republic of Serbian Krajina, and then in the western part of the Serbian Republic as well, will be a subject of many analyses. Military and political moves were frequently exacted by rapid twists in the situation on the front, and certainly in politics, because the political position and strength of the Serbs in this war has always depended on the situation on the front, more than is the case with the Muslims, and particularly with the Croats, who have secured themselves powerful allies in the world. At the moment it is difficult to make assessments and give answers to certain questions, all the more since the negotiating process is in progress, while neither the Muslims nor the Croats are hiding their intentions to end the war militarily.

Throughout the war the Serb Republic has relied predominantly on assets it inherited from the former state. At the most critical stages (and at moments when accomplished military successes should have been efficiently used, as well as at moments when, confronted with a stronger and better equipped enemy, all possibilities should have been mobilized to serve the defense of the people and territory) the state handled politics and the war in a very unprofessional way, without long-term planning, or concrete tasks that the army was supposed to accomplish, and without securing powerful allies who, if nothing else, would be able to verify the factual state on the international plane at the moment when we had a great advantage over the enemy.

Finally, a campaign was launched aimed at finding the main culprit, and, given maximal censorship of the media, the army was declared responsible, the same army that, aware of what war requires, had demanded from the state since the very beginning to secure conditions for waging war, that is, to put all the potentials of society in service of defense. Unfortunately, in those attacks against the army, the most vociferous were those at its head, members of the Supreme Command, who should finally understand that they are the most responsible persons, both in military and political terms. All these questions have been assessed for SRPSKA VOJSKA by Lieutenant General Manojlo Milovanovic, chief of the General Staff. [passage omitted]

[Djurdjevic] With the attempt to remove a part of the General Staff at the Assembly meeting before the last one, the entire blame was put on the army. What is behind all that, and who is actually responsible?

[Milovanovic] The attempt to remove a section of the General Staff was nothing but an attempt to transfer responsibility from the state and political leadership to the army. I think that by attempting to remove the generals the state baffled itself, because none of the generals removed was a protagonist on the battlefield. In fact, these are generals who are in charge of morale, security, the rear, and one general who manages the Center of Military Schools. If there is anybody whose name should have been named, then it is somebody who commands directly on the front, that is, the commander of the General Staff, the chief of the General Staff, the commanders of corps or operative commanders. However, those who launched the campaign followed the line of least resistance: to attack a part of the General Staff in order to blame the army for the loss of territory. I repeat once more that the army did not lose territories in a dishonest way. The army lost them under the pressure put by the currently stronger and better equipped enemy, which is unfortunately something that we have not been able to convince our state of over the past four years of war. I would like to say in particular that the pressure on the army is enormous. The army is being blamed for everything, and is not given credit for anything. All contacts with other countries, for instance with Yugoslavia, Greece, and now Russia, were established by the army, very few by the state. I can no longer understand the behavior of some individuals in the authorities who do not miss a single chance to attack the army, which they command. They are the only authorities in history and on this planet that attack their own army, with which they can either win or lose the war. This army is theirs, their deed, their product. This is the same as if I were to criticize my family for being ill-mannered, and yet I am the one who is most responsible for it. I have been trying over the past four years of war to balance relations between the army and the state, between the army and politics. We have drawn attention to many things since the war began and have sought solutions. Many things, like, for instance, supplying with provisions, we have taken on ourselves, all in the interest of our struggle, but there are many things we are not in charge of and we can no longer assume responsibility for them. Now I think that I am about to give up such efforts, and to turn to the army alone, and the state and politicians should shift for themselves. At the recent meeting in Banjaluka I said: When we were able to do certain things, we did not want to, while now, when the state and politicians demand that of the Army, it is not able to perform those tasks. Some deputies asked me what I meant by this, and at the time I did not want to answer, but now I tell them: We were most powerful in 1993, after the liberation of a part of the Drina river basin and certain parts of Sarajevo, Igman and Bjelasnica. When we were at the height of our strength, we were halted by politics. That was the moment when we were able to advance, and yet did not want to, that is, politicians did not want to verify our military successes. Now politicians demand that we do what we are not able to do. We are capable of defending the territories that we control now, while politicians should prove themselves and win back the territories we have lost to the stronger enemy. [passage omitted]

[Djurdjevic] Do you believe that the enemy will observe the latest cease-fire to the end?

[Milovanovic] Yesterday I read a statement of Holbrooke's that in the negotiations there are many "mines" one might step on. The Muslims will behave as the Croats require them to, which is to say, they will observe the cease-fire as long as the Croats deem it suitable. The Croats still have Germany's verbal and material support. They will continue the war for as long as the Croats deem it suitable, and until the moment it suits them. At the current negotiations they will try to reintegrate the remaining parts of the Republic of Serbian Krajina. Besides, they will try to maintain the factual state of the occupied territories of the Serb Republic, in which they will certainly not succeed, and to which they have no right.

[Djurdjevic] The recent peace negotiations anticipate the deployment of a large contingent of foreign troops in former Bosnia-Herzegovina. Although the manner of arrival has not yet been completely defined, it is quite certain.

[Milovanovic] The peace process, as the "gods of war" envisage it, is developing, regardless of what we, the Croats or the Muslims may think. Since we had a chance to decide whom we shall allow to come to our territory, we have decided that it is the Russians. Had we not made such a decision, NATO and the United Nations would certainly have imposed on us some multinational force of theirs. We believe it is better to have a one-nation force, no matter from which country, but we have decided on the Russians because so far they have treated us most correctly.

[Djurdjevic] Do you think that the Serb Republic is recognized, as many documents refer to Bosnia-Herzegovina, rather than to the Serb Republic, or the Federation of Bosnia-Herzegovina?

[Milovanovic] Unitary Bosnia-Herzegovina no longer exists, nor will it exist ever again. They call the current Federation Muslim-Croatian, which is wrong, because it was founded to satisfy the Croats, so it is much more logical to call it the Croatian-Muslim Federation. I said two or three years ago that Bosnia-Herzegovina would be divided in two parts, but I just did not know to whose share the Muslims would fall. My forecast has become reality to a degree, and it will certainly come true completely. What the final division would be like — I do not know, because I have not seen the maps drawn by the Americans for the upcoming talks, but I know that the Croats will try to shrug off to us as many Muslims as possible.

[Djurdjevic] The new mandator of the government, Mr. Kasagic, said that he would reduce the army to one-fourth of its current size. Is that possible and realistic in view of our situation and defense requirements?

[Milovanovic] I would be most happy if there were no need for the army. However, I think that such a statement is unbecoming, and an emotional by-product of his designation as new mandator. Every government tries to make radical changes, and he said this probably without having previously assessed the situation around us, although I have not heard the original version of that statement. Still, he as prime minister ought to consider all aspects of the situation, and only then make such a statement. To reduce our army to one- fourth of its current size means to thrust the Serb Republic into the jaws of the Croatian-Muslim Federation.

The Final Match With the Croats Follows

[Djurdjevic] You must have drawn certain experiences and teachings from the latest fighting, which will be applied in commanding over the army. What experiences do you consider to be most important, what will be used?

[Milovanovic] We are already taking some measures to reorganize the army, which I shall not yet discuss. Basically, they are aimed at improving the army's efficiency, so that we can respond to what is awaiting us. We shall have to be far more serious during the current cease-fire, rather than during Carter's four-month cease-fire, which was used quite smartly by the Croats and the Muslims to reorganize their armies and prepare assaults, whereas we hoped for compassion from the international community, considering that we were victims, so somebody would take pity on us and help us. Instead of that, we were attacked by the NATO air force.

[Djurdjevic] Although you have partly answered the following question, I still ask you: Will the army be able to retake the occupied Serbian territories, if political efforts fail?

[Milovanovic] The army will be able to retake the territories militarily, provided that NATO leaves us alone, and that we have only Muslims and Croats to fight against. Of course, this requires that the responsible state bodies perform their part of the job, and that we hold together.

[Djurdjevic] You were saying even at the beginning of the war that the final match will involve the Serbs and the Croats. Has that match already taken place, or is it still to come?

[Milovanovic] It is still to come, either on the military or on the political plane.

New Radio Station Broadcasting to Banja Luka Area

AU1311170795 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 13 Nov 95

[FBIS Translated Excerpt] The first radio station, the Voice of Bosnian Krajina, of the Banja Luka District Radio has began broadcasting in the newly liberated areas of the Bosnian Krajina. Among the first guests of the radio were Mirza Mujazic, head of the Banja Luka District Assembly, and Brigadier General Mehmet Alagaic, commander of the 7th Corps. [passage omitted including indistinct passage]

Party Leaders Assess Erdut Agreement

LD1311184295 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 13 Nov 95

[FBIS Translated Excerpt] Let us hear now the reaction by some political party leaders in Croatia to the agreement signed yesterday and providing for the peaceful reintegration of eastern Slavonia, Baranja, and western Srijem. We will let you hear the reactions we managed to obtain before the bulletin. They come from Zlatko Canjuga, on behalf of the Croatian Democratic Union [HDZ]; Drazen Budisa, on behalf of the Croatian Social Liberal Party; Ivica Racan, on behalf of the Social Democratic Party; Zlatko Tomcic, on behalf of the Croatian Peasant Party; Ivan Jakovcic, on behalf of the Istrian Democratic Alliance; and Anto Djapic, on behalf of the Croatian Party of Rights.

First, Zlatko Canjuga:

[Begin Canjuga recording] The agreement is, of course, a step towards peace and the HDZ sees it as a sound way of establishing dialogue and confidence in order to avoid unnecessary conflicts and eventually to reintegrate the area into the constitutional and legal system of the Republic of Croatia. Of course, agreements of this kind inevitably raise additional questions. They must be further developed and implemented, and over the next few days we can expect further talks and a resolution by the UN Security Council. On the return of President Tudjman we can expect more comprehensive reports about what happened and what was talked about in Dayton. This will help us to understand all the implications of this agreement.

If we are talking here about peace, about the confirmation of the sovereignty of the Republic of Croatia over these areas, about the reintegration of the occupied areas in the constitutional system—in that case we can say the agreement is a step forward in restoring peace. The HDZ will favor and try to support the efforts by Croatia and Croatian authorities to enable Croatian refugees and displaced persons to return to their up until recently occupied areas and with the best possible security and material prerequisites in place.

Today we have to insist on a peaceful solution, we must try and establish dialogue. As a political party we shall try to contribute to efforts to implement the agreement in the best possible way and with the support of the Croatian state authorities and those responsible for Croatia's state policy.

Let us wait for the talks and decisions from Dayton. We shall then probably be able on the basis of direct talks between Presidents Tudjman and Milosevic to understand the full implications and assessment of the agreement. Politically speaking, I genuinely believe this is a step toward dialogue. [end recording]

[Begin Drazen Budisa recording] The basic agreement on eastern Slavonia, Baranja, and western Srijem has failed to meet the Croatian public's expectations. It is a result of diametrically opposed starting positions of both sides and tough negotiations under the auspices of the international community. By this agreement, war has been averted for the time being, thus saving human lives.

If the Serb leaders in the occupied areas were really ready for the reintegration of occupied areas in the legal system of the Croatian state, this agreement could be interpreted as a step in that direction. Therefore, it will be possible to assess its value only after practical moves have been made.

The name of the agreement itself is indicative that this is not an agreement on the principles of reintegration of occupied areas in the legal system of the Croatian state; in reality the agreement puts eastern Croatia under a temporary international protectorate. The most valuable element of the agreement is the provision on the demilitarization of the currently occupied area. Its important shortcomings are the nonexistence of an explicit provision saying that constitutional order of the Croatian state will be in force in the currently occupied areas, and the non-xistence of a provision that the Croatian border with the Federal Republic of Yugoslavia will be protected by the Croatian army and police. [end recording]

[Begin Ivica Racan recording] I support the agreement on the peaceful reintegration of eastern Slavonia and Baranja in the Croatian constitutional order. All normal people in Croatia will be in favor of this being done in a peaceful way, not by war, if it can be averted, if fresh casualties and destruction can be avoided. This is one thing.

Another thing is the need for us to keep our sobriety and wisdom. Our experience and this very agreement force us to do so. Namely, there are two issues at stake here requiring of the official state policy to avoid euphoria with which this agreement has already been interpreted.

The first issue is whether it will be implemented at all. So far we have had too many agreements that have remained only dead documents. The second issue refers to the consequences of this agreement: international administration is being introduced in this area. Will it ensure the return of Croat refugees? What is even more important than that is that the agreement provides a guarantee for the Serbs from other parts of Croatia to remain in this area, which will drastically change the ethnic structure. The Croats will no longer be a majority nation. They will be a minority in this area. This opens up some questions as to whether we will achieve not only reintegration of this area in Croatia, but whether our borders with Serbia in the east will be safe and stable. Support yes, euphoria no. We should openly speak about the problems that are yet to be resolved by this agreement. [end recording] [passage omitted]

Chief Serb Negotiator on Accord

LD1311180595 Belgrade TANJUG Domestic Service in Serbo-Croatian 1445 GMT 13 Nov 95

[FBIS Translated Text] Erdut, 13 Nov (TANJUG)—The agreement on the peaceful resolution of the issue of the Srem and Baranja region was signed primarily thanks to the fact that all participants in negotiations—Serb and Croatian parties and representatives of the international community—had taken a step back by giving up their maximalist demands, Milan Milanovic, chief Serb negotiator, said in Erdut today.

Milanovic said that the Serb side's step back means that it does not insist on becoming part of Serbia, i.e. Yugoslavia, immediately, which is the will of the people, while the international community has given up its express demand which was present at the start of negotiations that the Serbs should without fail accept peaceful reintegration into Croatia.

"Even though its media are celebrating the signing of the agreement as a historic victory, Croatia has in effect taken two steps back: it has given up its demand that reintegration should be effected immediately and it has given up its demand that its police and customs officers should be deployed along the border with the FRY at once," the chief Serb negotiator said.

Milanovic reiterated that the main goal of the Serb people in the Srem and Baranja region is to remain in Yugoslavia, but "because of enormous pressure by the international community it is impossible to achieve that goal at present." "By signing the agreement yesterday we achieved the maximum that could be achieved in the present circumstances. This agreement does not prejudice a final political solution, and there are no official Croatian insignia on the borders and within the region. In practice, a blue zone under UN administration will be established for a period of two years," Milanovic stressed.

According to the chief Serb negotiator, the two years should be used wisely; our goal should be reached through political means, "as there is always time for war."

"I firmly believe that because of the general international situation and the rapid fall of the other parts of Krajina three months ago, when we started negotiations, the position of the Srem-Baranja region and that of its citizens was considerably more unfavorable than it is today. This is why we expect their support which will decisively boost our position in the struggle for the ultimate aim," he added.

Milanovic stressed in particular that the decision to sign the agreement had been unanimously made by all members of the negotiating team, which included Slavko Dokmanovic, president of the Council of [the Srem-Baranja] region; council member Goran Hadzic; and Colonel General Dusan Loncar, commander of the 11th Corps of the Army of the Republic of Serb Krajina.

"All five municipalities in Srem-Baranja lent their unreserved support to this decision of ours," Milanovic stressed.

He said that while making the decision to sign the agreement the members of the Serb negotiating team particularly bore in mind the interests of the citizens of the region, as well as "the interests of citizens in the FRY and the Serb Republic."

Reflecting on the contents of the agreement, Milanovic said that it includes a large number of provisions which are yet to be worked out in detail. He particularly mentioned the composition of transitional administration, the composition and powers of international forces, and individual arrangements providing for the return of refugees.

"All of this should be defined in supplements to the agreements, with our consent of course. In practice, there remains the arduous task of harmonizing details, something that is extremely important for the implementation of the agreement," he added.

Milanovic reiterated the view that it is very important that the agreement will take effect only once a resolution to this effect is adopted by the UN Security Council, meaning, as he put it, "that the permanent members of the UN Security Council—the United States, Russia, China, France, and Great Britain—will be guarantors of its consistent implementation, the safety of the Srem-Baranja region, and peace and stability among people."

Serb Leader Condemns Accord

LD1311181795 Belgrade SRNA in Serbo-Croatian 1710 GMT 13 Nov 95

[FBIS Translated Text] Banja Luka, 13 Nov (SRNA)—Today, Milan Martic, president of the Republic of Serb Krajina, expressed his concern for the fate of the Serb people in the Slavonia-Baranja region following the agreement signed in Erdut yesterday.

Martic told SRNA that he did not attend the eastern Slavonia negotiations because of his political and patriotic views. He added that after this act his premonition of the defeat and capitulation of pan-Serb policy became a reality and that he would never accept this.

Martic said that the agreement represented the loss of the bare minimum of Serb national interests as far as the Republic of Serb Krajina was concerned.

TV on Reactions to Accord

LD1311215395 Zagreb HTV Television in Serbo-Croatian 1830 GMT 13 Nov 95

[FBIS Translated Text] The agreement [on eastern Slavonia] has stirred up all kinds of reaction, and not just in Serbia. Some are in favor, some against. Here is Jozo Curic's review.

[Curic] The local Serbs first reported that Croatia was going to attack them any second now. The followers of Arkan [warlord from Belgrade] were the first to take flight from the front line and leave for Serbia. Milan Milanovic then accepted the Galbraith and Stoltenberg document and signed the agreement which he would later try to interpret in his own way. He is explaining to his population that all of this is some kind of an extended UNCRO [UN Confidence Restoration Operation] mandate and nothing more than that. In the eastern areas a can of petrol is in huge demand, as the Yugoslav Government has taken measures to close the international border with Croatia in order to prevent a great exodus of Serbs into Serbia from taking place.

The silent rebellion of Serbs in the occupied area against the agreement testifies to the fact that Milanovic, Hadzic, Loncar, Dokmanovic, and others have not succeeded in convincing the people about their version of the agreement. The Serb paramilitary army will have to surrender its weapons within 30 days of the arrival of international forces. Total demilitarization means either surrendering or disbanding all paramilitary and police forces and surrendering the local Serbs' weapons. Those criminals who find the border with Serbia closed will have to account for their crimes. Serbs will have to move out of Croatian houses. Croatia's refugees will be returning in full safety.

The transitional administration and international forces will not be some new incompetent UNCRO. If Milan Milanovic carries on with his statements and fails to implement the agreement, if Croats do not start returning to the demilitarized area, free from chetniks and armed soldiers from Serbia, if the Serbs intend to dodge the agreement whereby the entire international community supports Croatia in its right to deploy monitors along its borders, if there is anything that does not lead to peaceful reintegration, the Serbs know that the Tigers [Croatian army brigade] are in Slavonia.

One should be wise, bide one's time, and reach one's goal, Milan Milanovic is saying as he draws the population into a big lie, people who are fleeing together with Arkan's men anyway. Croatia has given them a chance, but they are trying to outmaneuver and extend the UNCRO state of affairs on the east territory. Milanovic will not have a year of procrastination. The day an international force enters the area—Croatia wants NATO—the Serbs will have just one month to surrender weapons. Numerous refugees in Croatia have reacted with disappointment as they ask who is going to protect them when they return. It is going to be the same protector who protects them today—the forces of the Croatian Army and police which will be very close at hand.

The Serbs signed because they feared the Tigers. At the end of the day all loyal Serbs will take part in elections for Croatian municipality and counties, according to the agreement. If the Croatian Army peacefully reaches our borders, then it is shameful to demand the blood of Croatian soldiers today. If the Croatian Army does not reach the borders in a peaceful way, it will still reach them, nevertheless. This is why Milanovic's Serbs are fleeing while Arkan is doing his last big petrol deal.

Christopher Criticized Over Serb Leaders' Removal

LD0911230295 Zagreb HTV Television in Serbo-Croatian 1830 GMT 9 Nov 95

[Commentary by Jozo Curic]

[FBIS Translated Text] As long as [Serb Republic President] Radovan Karadzic can convene the Bosnian Serb Assembly, which is able to reject any agreement, Milosevic's decisions in Dayton are a dead letter. Karadzic's assembly can ruin everything that Milosevic might agree to there. It could spoil the easing of sanctions on Serbia, and it could spoil Clinton's pre-election success in Bosnia.

At the opening of the negotiations U.S. Secretary of State Christopher requested of Milosevic that he remove Karadzic and Mladic from power. The fact that they are criminals is nevertheless not the crucial reason. They were criminals last year, too, and Washington sent Jimmy Carter to visit them, and Redman, Thomas, and Holbrooke have all had talks with them.

The crucial reason is that Karadzic, [Bosnian Serb Vice President Biljana] Plavsic, [Bosnian Serb Vice President

Nikola] Koljevic, and [Bosnian Serb Assembly Chairman Momcilo] Krajisnik could ruin the whole of Dayton with their self-declared assembly, and this is the reason why they should be removed.

But Christopher made a mistake when he demanded the removal of both the political and military Bosnian Serb leaders at the same time. To put it simply, there is no one who could arrest Karadzic and Mladic at the same time. Milosevic is not sufficiently powerful in Bosnia to be able to arrest the two of them at the same time, while the Bosnian Serbs have ordered units of Karadzic's police to withdraw from the front lines and go to the towns. Karadzic has in this way insured himself against a possible military attack on the Bosnian Serb civilian authorities in the towns.

THE WASHINGTON POST has also confirmed Christopher's mistake. The State Department has corrected itself. There is no one able to carry out the demand for the handing over of the criminals Karadzic and Mladic unless Milosevic directly sends his army and state security personnel into an inter-Serb conflict in Bosnia.

In addition to this, Milosevic needs Mladic just as the Americans do, because someone must maintain stability among the Bosnian Serbs. Someone in Pale and Banja Luka must listen to orders from Belgrade and control the Army. The best scenario is that the Americans could bring about the arrest of Karadzic and his close supporters by going directly through the Milosevic-Persisic [chief of the general staff of the Yugoslav Army]-Mladic chain of command. Only the Serb generals who support Mladic and Milosevic can liquidate Karadzic and ensure that the Bosnian Serb Assembly accepts Dayton, whatever the final agreement is.

Milosevic tried to disentangle himself with his statements that this is the first time he has heard anything about the liquidation of Karadzic, although Holbrooke often mentioned this to him in Belgrade, as he did the handing over of Arkan.

Everything was confirmed by [U.S. State Department] spokesman Burns: Milosevic knew that the whole time he has been using both Mladic and Karadzic and is waiting for the right moment to resolve the issue of the disobedient [word indistinct] quietly.

Now Karadzic's interior minister has brought back his police forces from the front lines to the towns, and success in Dayton is no nearer. To put it simply, the Americans forgot that there is no one around who can pull out Karadzic and Mladic at the same time. If Milosevic were to do this openly, he would be betraying all Serbs, the criminal Milan Martic [president of the Republic of Serb Krajina] warns him.

SDA Leader Warns of New Bosniak-Croat War

AU1411094295 Sarajevo LJILJAN in Serbo-Croatian 8 Nov 95 pp 5, 6

[Interview with Croatian SDA leader Semso Tankovic by unidentified correspondent; place and date not given: "I Am Afraid That the New Assembly Will Ratify the Addition of Herzeg-Bosnia to Croatia"]

[FBIS Translated Excerpt] [LJILJAN] Bosniaks cannot be satisfied with the announcement of the election results in Croatia. What did the Party of Democratic Action [SDA] of Croatia do to make its result as good as possible?

[Tankovic] First of all, I would like to review certain things that we Bosniaks in Croatia did shortly before the elections. The Croatian Constitution reserves seven seats for representatives of the ethnic minorities, of which three are for the Serbs and the rest are for ethnic Italians, Hungarians, Czechs, Austrians and so forth. That constitutional law does not mention the Bosniaks at all. There then followed a letter from President Izetbegovic to President Tudjman requesting that the Bosniaks be granted representatives in the Croatian Assembly. Indeed, as far as we know, one seat, the eighth one, is supposedly for a Bosniak. I say supposedly because nowhere is it precisely stated whether the seat will be occupied by a Jew, a Gypsy, an ethnic Albanian, or a Bosniak. However, what is known at the moment and about which Sagolj, the spokesman on constitutional matters, has reported is, as he put it, that the Bosniaks might possibly be picked from a state list that wins the greatest number of votes. Consequently, in theory the Croatian Democratic Community [HDZ], as the strongest party, could put forward a Bosniak, who would then represent the interests of the Bosniak people in Croatia. Since we did not agree with such a situation, we sought an alliance. We sent letters to 13 parliamentary parties. With some of them we talked and with others we did not, but it is important that all the parties, apart from the parties of Stipe Mesic [Croatian Independent Democrats—HND] and Dobroslav Paraga [Croatian Party of Right 1861—HSP 1861] said: All right, you may pick a Bosniak, but he may not be a member of any organization, such as the SDA or the Islamic Community, Preporod or even Merhamet, the Bosniak humanitarian organization. This means that it would have to be an imaginary Bosniak, who would be what he is only in name, but would not belong to the community that exists and works in Croatia would regard Bosnia merely as a geographic idea or regional membership within Croatia, that is, the Croatian people. So this would mean that, had we accepted this game, we could have found some less prominent Bosniak to put forward on any of those party lists, who would have appeared as our man later on. We did not want to accept this. We thanked those who proposed such an option and put forward our candidates on Mesic's party list.

[LJILJAN] Why precisely the HND?

[Tankovic] Because Mesic was a founder of the HDZ, but left the party because he disagreed with Tudjman and his extremists, who were pursuing a destructive policy on Bosnia. I do not know how applicable it is to talk about ethics in politics, but it was a moral act to turn to Mesic and put forward our candidates. Unfortunately, we won 3.10 or 3.20 percent of votes. The HND needed to win 5 percent to enter parliament. It anticipated one seat for the Bosniaks. From our point of view, it was an unsuccessful attempt. I would say that this Assembly will have a strong anti-Bosniak nature. It will be even more anti-Bosniak than the previous one. The election of the 12 biggest opponents of cohabitation with Bosniaks in Herzeg-Bosnia to the Croatian Assembly will bring about tense relations between Bosnia and Croatia, that is, Bosniaks and Croats. I am afraid it will lead to a dramatic moment, when they might possibly stage a conflict and demand through a referendum that Herzeg-Bosnia secede and unite with Croatia. Which would mean, actually, a new war between Bosnia and Croatia.

[LJILJAN] There is an opinion frequently expressed even among Bosniaks in Croatia that the local Bosniaks should have formed an alliance with the victor, the HDZ.

[Tankovic] As I said, we sent 13 letters to the Croatian parties and one of them was addressed to the HDZ headquarters, to the main political secretary personally, Mr. Canjuga. They let us know that they had received it and would contact us regarding a possible meeting. Two days passed and then there were no more contacts. We are not to be reproached for anything regarding possible agreement with the HDZ. We tried very hard to accomplish our fundamental goal, which is to have a Bosniak in the Croatian Assembly, but not any old Bosniak. We followed the logic that the HDZ and the SDA cooperated in our mother country, so if they could cooperate there, then there was no reason for them not to cooperate here as well, and not out of love, but out of interest. However, the HDZ considered that it had other goals. I personally view their rejection as a desire to eliminate organized Bosniaks in Croatia at any price and to pick Bosniaks whom they can manipulate. I am afraid that at one stage this Assembly will sanction the historical desire of Herzeg-Bosnia to secede from Bosnia and unite with Croatia. Therefore, nobody from the SDA, be it Salim Sabic, Faris Nanic, Semso Tankovic or anybody else, is desirable in the Assembly. I am afraid that this Assembly will play a negative role and I express my concern now, before it is too late. [passage omitted]

[LJILJAN] To what extent will the changes in the Assembly influence the future position of Bosniaks in Croatia?

[Tankovic] The fact is that the HDZ in the previous Assembly had power and will have it again, with the presence of the 12 Herzeg-Bosnia deputies, who will pursue the policy that Mate Boban [leader of Herzegovina Croats during fighting between Bosnia-Herzegovina Army and Bosnian Croat forces] pursued when he was in power. The attitude toward the Bosniaks will radicalize and harden even more, particularly because three or four years ago the Bosniak associations in Croatia were united, while now they are not. Now the authorities are following this logic: You are suitable and we shall leave you alone, while the SDA is unsuitable and we shall eliminate it from political life. Our people have forgotten how the Serbs at the outset burnt down only some of the villages and left others alone. But we also know that eventually all the Bosniak villages were burnt down. I am afraid that some of these essential Bosniak associations will support the Croatian authorities only so as to minimize our role. In that context, you should not forget that the Croatian Government has been maintaining contacts with the Mesihat [Supreme Council] of the Islamic Community in Croatia as the only legitimate representative of the Bosniaks. And that is what we are struggling against, because we must not allow them to treat us solely as a religious community. We are an ethnic community with religious and cultural distinctions. While the Croatian Government favors the Mesihat of the Islamic Community of Croatia and regards the SDA as unsuitable, there is no longer unity among the Bosniak institutions in Croatia. Earlier, no matter how difficult it sometimes was, our unity made it easier for us to defend ourselves. Today it is difficult to be a member of the SDA in Croatia.

[LJILJAN] Do you have difficulties organizing the SDA in Croatia?

[Tankovic] Our party's organization was not officially permitted until a month before the elections. For almost two and a half years we were struggling to be registered as a party of the Bosniak people in Croatia. We limited our political scope because we were concentrating solely on Bosniaks. On the other hand, they offered us various things in return for giving up trying to register as the party of Bosniaks, but they eventually yielded to our determination. [passage omitted]

[LJILJAN] If we agree that the new structure of the Assembly could ratify the addition of Herzeg-Bosnia to Croatia, what will happen to the Bosnian Krajina [western Bosnia], as Croatia is trying by any means possible to insinuate itself in that part of our territory as well?

[Tankovic] See what a fundamental goal Tudjman set himself in this new Assembly! The fundamental goal was to win a two-thirds majority. Why insist on a two-thirds majority? Because it would have enabled him to make certain changes to the Constitution. This means that the issue is no longer about some 55 or 60 percent, which enables him simply to implement certain things, but Tudjman needed a two-thirds majority in the Assembly so that he could alter the Constitution. This very fact indicates that something is wrong. Furthermore, Tudjman has never pretended and has always maintained that Bihac is a Croatian city, that it is the heart of Croatia. And if the president of a state and chairman of the ruling party persistently maintains that, such statements ought to be taken seriously. I view these statements as threats. Furthermore, why has Tudjman allowed war criminal Fikret Abdic to live and work in Croatia? Why has he allowed war criminals, between 400 and 800 of them, to live and work in Croatia? It is obvious that those people will help him accomplish certain goals. Abdic knows quite well what Tudjman's aspirations are and in a certain way he supports and encourages him. Abdic says: "We shall not enter Europe through Teheran, but through Zagreb!" As if any of us ever said that we should enter Europe through Teheran! In all this one has to know, however, that Iran is an ancient culture. Iranologists are well known in international cultural circles and I would be happy if people knew a little more about Iranian culture. Now there are attempts to manipulate 30,000 people as potential Croats professing Islam. Croatian and Turkish police are coming to Velika Kladusa to guarantee safety to the refugees who are returning to the town. What are Turkish and Croatian police doing there? It is quite obvious how far these games and interference in the internal affairs of Bosnia-Herzegovina go. After all, the fact that the Croatian Army has captured Jajce and Varcar Vakuf [Mrkonjic Grad] and is still not allowing our refugees to return there, should be understood as a threat to the stability of Bosnia-Herzegovina and future relations between Bosnia-Herzegovina and Croatia.

[LJILJAN] Following the arrest of Abu Talal in Zagreb and the bombing in Rijeka on one hand, and Tudjman's statements about Croatia's being Europe's shield against Islamic fundamentalism on the other, what is the general attitude toward the Bosnian Muslims in Croatia?

[Tankovic] Immediately after the bombing in Rijeka the SDA issued a statement asking why the bombing had taken place shortly before the elections and in whose interest it was. It was certainly not in the interest of us Bosniaks. I think that one of the basic reasons for our failure in the elections is that the Croatian press took advantage of the bombing and began to write about Islam exclusively as a threat to Europe. Islam and terrorism have become synonymous. Such propaganda cannot but influence the attitude of the average Croatian citizen. Since we, the SDA, are the only ones who constantly stress our Islamic dimension and belong to the Islamic cultural circle, the election results can certainly be viewed through the prism of the bombing and how it was interpreted by the average Croatian citizen. It would be no wonder if the bombing were organized by the KGB, KOS [Serbian Counterintelligence Service], or some such organization.

B-H Army Said To Be Involved in Attack on RRF

AU0911152695 Split SLOBODNA DALMACIJA in Serbo-Croatian 8 Nov 95 p 6

[Commentary by Vaso Vegar: "Mujahidin Message to Legionnaires?!"]

[FBIS Translated Excerpt] Mostar—It still has not been established who were the three attackers on the base of the Rapid Reaction Force [RRF] in Vrapcici near Mostar. The attack in which seven RRF members were injured took place at 2330 on Sunday evening [5 November] and on Monday morning the site of it was visited jointly by the employees of the "Security Service Center" from eastern Mostar and RRF members. As it was reported, in the interest of the investigation the results of the visit were not publicized. However, before this enough details had leaked from UNPROFOR [UN Protection Force] sources to the public that one could reach a sort of a conclusion, if not about who committed the crime then at least about who most likely did not.

It is good that in this case, unlike some earlier cases when the peacekeepers were attacked, UNPROFOR officials did not immediately leap to accuse one of the warring sides for the attack. However, it is very bad to go public with claims that do not match the rudimentary facts and that can incite those less informed into reaching the wrong conclusions. The first inaccuracy, conveyed to the reporters by Chris Vernon, an UNPROFOR spokesman in Sarajevo, is that the attacked base lies on the separation line between the Bosnia-Herzegovina Army and the Croatian Defense Council [HVO] and that it is impossible to establish from which direction the attackers came. The other inaccuracy lies in the statement that HVO representatives were also involved in the investigation in addition to the Bosnia-Herzegovina Army. However, the HVO neither had access to the scene of the event nor was there any need for it take part in the investigation. [passage omitted]

"Border" in West

What is important to point out in the connection with the attack on the French RRF is that their base lies entirely on the territory controlled by the Bosnia-Herzegovina Army and only its western flank "borders," via the Neretva River, territory controlled by the HVO. However, it was immediately clear that the attackers had arrived along the Mostar-Sarajevo road, along which they fled in the direction of Sarajevo after the attack, an area controlled by the Bosnia-Herzegovina Army from both sides. For that reason, the possibility of the attack being carried out by the Croats is almost totally ruled out, just as it is ruled out that it was perpetrated by the Serbs. It is, therefore, very likely that the attack was carried out by those who use this road most freely, that is, those who control it.

The investigation holds many facts in its hands and has a good chance of identifying the attackers. What can be said at the moment is that this attack testifies that the peacekeepers in Bosnia-Herzegovina are not in for an easy task and cannot hope for a warm welcome. Following the threats and the maltreatment of the British "blues" that they encountered from the Mujahidin in central Bosnia, this attack in Mostar has sent a clear message to the French legionnaires.

Report Views Region's Changed Military Balance

AU1411114895 Zagreb VELEBIT in Serbo-Croatian 27 Oct 95 pp 8-9

[Report by Goran Redzepovic: "Croatia's Strategic Gains"]

[FBIS Translated Text] In addition to people, time, and equipment, territory with all its characteristics is an inevitable factor in armed struggle and directly influences the combat performance of any warring party, as well as the potential for developing forces for attack or defense. The influence of territory on war can be evaluated in two basic ways: its size in square kilometers and its quality.

It is known that the territory of the Republic of Croatia is from the point of view of a military-geographical assessment, by its size and shape, extremely unfavorable for waging war. However, just as Israel, whose area is 452 times smaller than the enemy Arab countries, has successfully won wars, so Croatia, whose area is considerably smaller than the territory used as the starting point for the Greater Serbian aggression, has successfully and efficiently waged a war of defense and liberation. This is an incontestable indication of the claim that territory cannot be viewed in isolation from other factors of armed struggle and is proof that people, time, and material and technical means can greatly, if not completely, compensate for the negative characteristics of the territory.

The military operations that the Croatian Army conducted during 1995 on its territory and that of Bosnia-Herzegovina, with the cooperation of the Croat Defense Council and the Bosnia-Herzegovina Army, have considerably improved the quantitative and qualitative characteristics of the territory that may serve as a potential operational base for the [Serbian] aggressor to launch an attack on the territory of the Republic of Croatia.

If we were to mention that the occupied territory of Croatia has been reduced from almost a quarter of its land territory to merely 4.6 percent or 2,600 square kilometers, and at the same time not mention the qualitative changes that have arisen with the establishment of new front lines, we still could not nearly manage to understand the gains achieved on the battlefields. Moreover, in any serious analysis it would be very superficial to discount the territorial changes occurring in Bosnia-Herzegovina in recognizing the new qualities in the balance of power involved in the war on the territory of former Yugoslavia.

In early 1995 the overall territory under the control of the Serbs (Serbia, Montenegro, and the occupied territories of Croatia and Bosnia-Herzegovina) that could be used as a direct base for attacks on Croatia or a logistic base for aggression amounted to about 152,090 square kilometers, which was 3.58 times more than the free part of Croatian territory. Of that overall territory, west of the Danube and Drina Rivers, within the easternmost points of the Croatian state, Ilok and Cape Ostro, about 49,900 square kilometers was under Serb control, in Croatia or in Bosnia-Herzegovina, which was 1.17 times the area of the free territory.

This approach to the relations between these territories, including those in Bosnia-Herzegovina, is inevitable because Bosnia-Herzegovina territory and Croatia represent an integral military-geographical and communications entity, while its position and shape represent a protuberant operational base for potential attacks on the territory of Croatia. A straight line connecting the northernmost and the southernmost points of Croatia, 490 kilometers long, encompasses 68 percent of Bosnia-Herzegovina. The line from Ilok towards Cape Ostro, connecting the two easternmost points of Croatia, is almost 2.5 times shorter from north to south than a central line across the Croatian state territory. Bosnia-Herzegovina territory is 330 kilometers in the "stomach" of Croatia, and by drawing perpendicular lines from the half of the basic directions in which Croatian territory stretches one gets a military-geographical center some 20 kilometers south of Banja Luka, at Krupa na Vrbasu. [sentence as published] All the important facilities on the geographical map of Croatia are equidistant from this point. Each movement of enemy forces north or south, east or west of this point, changes the potential center of gravity of enemy activity towards a certain part of the territory. These are only some of the quantitative and qualitative indicators that, from the point of view of a possible threat to Croatian territory, show the interdependence of the territory of Croatia and Bosnia-Herzegovina.

The Interdependence of the Territory of Croatia and Bosnia-Herzegovina

Small territories, particularly those of a typically elongated shape whose longer side is several times longer than the shorter one (as is the case with Croatia), are exceptionally susceptible to loss of territory and the activity of not only infantry forces, but also long-range missile or artillery systems, and particularly air power. A completely safe rear area base, given the present level of development of weapons systems, eliminates to a great extent previous differences between the front line and safe rear areas. [sentence as published]

During the Homeland War of 1991 the enemy air force attacked Vrsar in the westernmost part and Cakovec in the northernmost part of Croatia from the territory of Bosnia-Herzegovina.

It is precisely the new separation lines on the ground that have resulted from the successful operations of the Croatian forces (Operation Flash in summer 1995) and it is the strategic alliance with the Bosnia-Herzegovina Army following the Split Agreement that has significantly altered the exceptionally disadvantageous military and geographical characteristics of Croatian territory that resulted from the Greater Serbian conquests in 1991 in Croatia and 1992 in Bosnia-Herzegovina.

In early 1995 the Serbs were, west of the Bosna and Neretva Rivers, in control of an almost compact (apart from the Bihac enclave) territory with an irregular, elliptical shape, which stretched, by the longer axis, 225 kilometers from Josipdol to Doboj and by the shorter axis about 180 kilometers from Petrinja to Skradin. From this operational basis they directly threatened and cut off not only vital communications links connecting northern and southern Croatia, but also, with their military forces, they directly threatened the most important administrative and economic centers in the Republic of Croatia. The longest part of continental Croatia, from the border with Slovenia to Velika Kladusa, is only 45 km long, of which almost two thirds was under Serb control, and from the banks of the Korana River it was possible to hit the Slovenian border with howitzer fire. The possibility of the occupier firing on Karlovac need not be discussed in detail. Now the distance between the border with Slovenia and the nearest Serb position at Bosanski Novi is almost 90 km, which is six times more than before Operation Storm. The Serb positions on the Kupa River, which were only about 30 km from Zagreb and from which it was no problem to target the Croatian capital with Orkan and Luna missiles, have been moved to Bosanska Kostajnica, 80 km from the capital, which is out of range and the only means available to attack it is now overland, while Sisak with its important petroleum-processing facilities is now, unlike when it was possible to attack it with mortars, also out of range. Before Operation Flash, the occupied part of western Slavonia protruded into the central part of the Pannonian part of Croatia like a 30-kilometer deep bridgehead, but this "wedge" has been completely eliminated and the territory along the shorter axis of this region now stretches to the internationally recognized borders of the Republic of Croatia and, in addition to the Croatian armed forces, the River Sava is a powerful natural obstacle to possible Serb breakthrough attempts in this direction.

The greatest quantitative and qualitative progress made to Croatia's advantage, from the point of view of territory as a factor in military operations, has been made in Lika and Dalmatia, where the Serb aggressor forces were pushed back deep into the territory of Bosnia-Herzegovina, where a wide buffer zone within Bosnia-Herzegovina has been created (together with the Bosnia-Herzegovina Army forces) at an average of 50 to 60 km from the state border, thus ruling out any terrorist artillery attacks or major commando- terrorist incursions towards the coastal part of the territory, whose further development, in view of its tourist potential, demands conditions of maximum security.

The New Balance of Power

Before Operation Storm the distance from Karlovac to the nearest Serb positions was no more than 30 km as the crow flies, while now it is 125 km. Zadar was 10, Sibenik 15, and Split about 30 km from the occupier's paramilitary positions. The picture is quite different now: Zadar is 150 km from the positions of the Serb forces, Sibenik 130, and Split 125.

On the territory west of the Danube and Drina Rivers under Serb control at the beginning of 1995, there were three military airfields, Udbina, Banja Luka, and Glamoc, from which it was possible to reach almost any point in Croatia within five to 15 minutes. The military operations carried out this year have reduced these capacities of the Serb aggressor in Croatia and Bosnia-Herzegovina to only one airfield, the Banja Luka one, which is within range of Croatian Army artillery, while any operations have been made impossible for enemy aircraft except over the territory of the so-called FRY.

During the Homeland War in 1991 the majority of the combat activity aimed against Croatia was carried out from the former JNA [Yugoslav People's Army] air bases in Croatia and Bosnia-Herzegovina. Of the nine air bases used for bombing sorties against Croatia, only two were in the so-called FRY: Batajnica [near Belgrade] and Podgorica. Of the remaining seven the Serbs now control just one. Owing to the tactical and technical characteristics of Serb ground-attack aircraft, most Croatian territory is out of range of the air force of the army of the so-called FRY, except from Banja Luka.

Talking about air power, it is important to emphasize that the Serbs at Udbina were completing the latest types of armored concrete shelters for aircraft, suitable for MiG-29s.

It was precisely these quantitatively and qualitatively unfavorable characteristics, plus the arrangement of territory that the Serbs wanted to cement via the UN, on which the aggressor was building his defense strategy and method of deploying his forces. General Mile Mrksic, the last commander of the army of the so-called "Republic of Serb Krajina," intended to find the best military solution for preserving the results of the aggression, achieved way back in 1991 with the help of the Yugo army, by forming a rapid reaction corps as a maneuvering and operational unit intended to close the gravitational direction [tezisni smjer] of a thrust by the Croatian Army and through the doctrine of "real threat," which meant nothing more than terrorist attacks on inhabited towns and villages deep in Croatian territory. With this aim, the Serbs deployed Orkan and Luka missiles, with ranges of 50 and 65 km respectively, to threaten Zagreb and its wider surroundings, trained their crews to use Dvina and Vohov antiaircraft defense missile systems against land targets at a range of about 25 km, adjusted the coastal missile batteries for use against land targets, pompously renaming them "Krajinas," and mounted 100- and 250-kg Hvar aircraft bombs on Munja 128-mm caliber guided air-to-surface missile systems for terrorist attacks on targets near the front lines. The failure of this strategy is clearly visible and requires no special comment, but the rebel Croatian Serbs, who were, until recently, able to terrorize the major part of Croatia, are now, in that respect, restricted exclusively to parts of eastern Slavonia.

Fighting against the Croatian Defense Council and the Bosnia-Herzegovina Army, the Bosnian Serbs tried, when the Bosnia-Herzegovina Army attacked, to buy time, regroup their forces, and more or less successfully launch counterattacks by initially falling back into the huge territory that they controlled (about 70 percent of the total territory). As a consequence of the balance of territory, equipment, and manpower, there were no significant changes in the front lines in Bosnia-Herzegovina for almost two years, except for the occasional initiative at the tactical level.

However, with the involvement of Croatian forces in the war in Bosnia-Herzegovina, an important change in the balance of power occurred at the strategic level and the Serbs started to lose territory, one of their greatest advantages. Of about 70 percent of the territory of Bosnia-Herzegovina that the former Yugoslav army handed over to Karadzic's para-state to look after, there is about 50.3 percent under their control. The Bosnia-Herzegovina Army is in control of 27 percent and the Croatian Defense Council 22.7 percent of Bosnia-Herzegovina territory. From the point of view of the security of the Croatian state and the possibility of threatening it, a significant quantitative and qualitative change has occurred. The almost homogenous territory west of the Bosna and Neretva Rivers that the Serbs controlled, which stretched from Dabar in the west to Doboj in the east and from Petrinja in the north to Lake Proklansko in the south was reduced to 140 km (Bosanski Novi-Doboj) by 80 km (Bosanska Gradiska-Krupa na Vrbasu). Croatian forces have come within several kilometers from Krupa na Vrbasu.

The Final Consideration

Any further loss of territory in western Bosnia would, for them, mean the loss of Prijedor or Banja Luka, which would effectively result in the fall of part of the Bosanska Krajina under Serb control, which, in turn, would definitely rule out any possibility of organizing any military action towards the "stomach" of Croatia, and with it the old Serb aim of cutting Croatia into two parts at Karlovac. Although, under the present conditions, there is no chance of any Serb breakthrough across the Sava River or across the Dinara mountains towards Dalmatia, any form of Serb military presence in the Banja Luka area might present a potential threat to Croatia, but not nearly to the extent that it was early this year.

The overall relation of the territory of Croatia and the territory that the Serbs are in control of west of the Danube and Drina Rivers is now 2.09 times greater to Croatia's advantage. If the territory under the control of the allied forces within the Croat-Bosniak Federation is added, the relation increases to 2.76 times more territory compared with what the Serbs from this side of the Drina control. The territory from which the aggression is directly fueled, which is undoubtedly Serbia and Montenegro, should also be included in the territory of the warring sides. In that case, the relation still favors the Serbs, being 1.64 times greater than the territory that Croatia and Bosnia-Herzegovina now control. Complete equality, from the point of view of size and, to a certain extent, shape, would be achieved if the territory of Serbia and Montenegro, with 102,173 square km, were under Serb control, while the territory of Croatia and Bosnia-Herzegovina, with a total area of 107,667 square km, were to balance it. From the military point of view, the quality of the shape of the geographical territory would favor the territory west of the Danube and Drina Rivers owing to its greater compactness. The possible operational base from which it was possible to threaten Croatia has been reduced by almost half from 49,924 square km, while the shape of the territory, depending on individual directions, has become qualitatively two to 15 times better than the situation on 1 January 1995, which clearly illustrates just one part of the military advantage achieved by Croatia this year.

HSS Leader Claims HDZ Rigged Elections

AU1311130895 Rijeka NOVI LIST in Serbo-Croatian 4 Nov 95 pp 6, 7

[Interview with Zlatko Tomcic, chairman of the Croatian Peasant's Party, by Sanja Modric; place and date not given: "We Cast Serious Doubt on the Election Results"]

[FBIS Translated Text] [Modric] It seems that you receive your congratulations for the Croatian Peasant's Party's [HSS] very good result in the elections with a portion of reserve. Why?

[Tomcic] You are right to a degree. I feel great satisfaction to receive congratulations for the 20 percent that we won by the joint state list with the Croatian National Party [HNS], the Istrian Democratic Association [IDS], the Croatian Christian Democratic Union [HKDU] and the SBSH [Slavonia-Baranja Croatian Party], because that provides strong confirmation that we have been correct in our estimates and decisions. We were almost positive that we had exercised good judgment at the moment when the Croatian Democratic Community [HDZ] started a tough campaign against our electoral coalition, expressing disdain toward the alleged dilettantism of the HSS, which, as they put it, was rescuing through the coalition the totally hopeless HNS, the insignificant SBSH, the HKDU that had failed for ever, and, on top of that, was joining forces with the fascist and irredentist IDS. Still, after all this, the electorate has rewarded us with a result that, all in all, is not spectacular, but certainly announces a process of political change in Croatia. I would be quite satisfied for the time being if I did not have certain reservations toward the aggregate results of the elections, but I am not satisfied.

[Modric] What reservations do you have?

[Tomcic] The most disputable were the elections for territorial units, and even though I neither have nor can have any material proof, everything indicates that there were very serious manipulations on the part of the HDZ. For instance, within very short time spans, various incomprehensibly sudden changes of results occurred, so that the HSS, despite very favorable initial samples, will most probably get just one constituency, namely Dugo Selo, which is to say, just one out of seven constituencies in which the HSS candidates defended the colors of the opposition parties. The final duel ended slightly to our advantage, so now an attempt is being made to make additional profit by annulling it.

Furthermore, the HDZ waged the sort of campaign one might expect of presidential elections, and the bearer of their list was President Tudjman, a person who has great charisma and is highly esteemed by the people. That presidential list eventually won 45 percent, after which, in the constituencies, given the same electorate, there was a huge discrepancy with that 45 percent. Which is to say, the HDZ candidates, whose reputation is indeed very, very weak, won 55, 60 or even 70 percent of votes.

Seks' Questionable Rating

[Modric] To whom do you refer?

[Tomcic] Let us say, to Mr. Seks in Djakovo, and some other candidates.

[Modric] How do you know that Seks' reputation is weak in Djakovo?

[Tomcic] Well, I know that quite well. The local, for the most part rural environments are irritated by his brutal attitude toward Slavonia, where he imposes himself as the only genuine soul-saver, as the only real protector of the Croatian farmer. However, over the last five years it is precisely he who has been the chief promoter of a policy that is counterproductive for farmers. People remember the tasteless detail from an Assembly meeting, when Seks called Joze Pankretic a peasant.

[Modric] Which means that the HDZ staged Seks' brilliant victory, does it not?

[Tomcic] I do not know about that, but I know how unpopular Seks is among farmers.

[Modric] So all this is just about your suspicion.

[Tomcic] Clearly. You see, the electoral law has allowed the opposition just associate membership in the electoral commissions. Without the questionable intentions of Smiljak and Sokol, the representatives of the opposition parties would have been full members of the electoral commissions, right? In view of the means available and the fear present among the people, we have failed to make use of that associate membership in the best way. Nevertheless, it will be a very interesting analysis, and there are already some indications that the results of the opposition are far better in the areas where we succeeded in imposing such authorized control, than in the places where we did not. You have to admit that, considering the number of such arguments, I have reason for suspicion.

[Modric] And what will you undertake?

[Tomcic] We have demanded that the state electoral commission allow us to examine the entire material on the elections in all seven constituencies where the our party's candidates ran, and today our team is going to meet with the electoral commission. Considering their experience from the past elections—when there were differences even between the minutes kept at polling stations and the data entered in computers—our people will make an analysis. Furthermore, we shall conduct sample tests in each constituency with 100 names randomly picked, and we shall see whether those people really went to the polls or not.

In the Morning They Voted in Plain Clothes, In the Afternoon They Voted in Uniform

[Modric] Have you received any reports from the citizens?

[Tomcic] Yes, we have, and plenty of them, particularly anonymous reports. For instance, a woman called me who is not a member of any party, and who was in the commission at a polling station. She says that after the polls closed, other members of the commission left her to guard the polling station, while they went to a neighboring house, apparently to enter some data in the computer. She warned them that this could be interpreted as cheating, and they retorted to her: "Mind your own business, lady!" We asked that woman whether she could name names, and she said: "Yes, gladly, but I have two small children...." From a village near Vinkovci I got a call alleging that the local Home Guard units were ordered to go to the polls in plain clothes in the morning, and in the afternoon to change into uniform and vote again. I personally know people who first voted in Zagreb, and then in Ljubljana or Austria. These are all unsubstantiated arguments, with which you cannot accomplish much in legal terms, but nevertheless, the notion is becoming clearer....

[Modric] Were observers from the opposition able to take part in all the stages of the elections, starting with the registration of voters to counting votes and entering results in the computer? The delegation of OSCE [Organization for Security and Cooperation in Europe] observers recently expressed the opinion that such procedures are necessary in order to have fair elections.

[Tomcic] The observer from the opposition is not a member of the commission, he is just present there and observes. Now tell me, what is he, as a person present there, able to see when there are five or six members of the commission working there, each of them examining his own portion?

To Examine the Structure of Invalid Ballots

[Modric] There are 81,000 invalid ballots, which is 4 percent. How do you comment on the fact that every 25th voter in the elections incorrectly filled in his ballot, even though on every ballot paper there was a brief and clear instruction on how to vote?

[Tomcic] That is an enormously high percentage. Some proportion of the invalid ballots is certainly invalid, but as a total it is too high, inexplicably high. Therefore we shall try to examine the structure of invalid ballots.

[Modric] How is it possible to make an invalid ballot out of a valid one?

[Tomcic] Very easy. I know that in the past elections there were cases that supporters of a certain party, who were members of electoral commissions, were adding a tick in addition to what the voter had already ticked as his choice. Thus you get a ballot that favors two, instead of just one party. And that is how it becomes invalid. Now we want to see how many such ballots referred to our party. Again, this will not be any substantial proof, but it is good for the public to know, at least. And each HSS ballot made invalid has a double value for the opposing side. We have one ballot less, and they have one ballot more.

[Modric] Do you think that the HDZ has improved its "blood count" a little in these elections?

[Tomcic] It is a public secret, and they have also confessed that the HDZ in the past elections stole 6 percent of the votes. And one of the current HDZ chairmen told me several months ago: "In these elections we shall take from you as much as we need!"

[Modric] Pasalic? [Deputy chairman of HDZ]

[Tomcic] Pasalic.

[Modric] You have said that you cannot build a capital on minor, though perhaps significant details, and prove that the elections are illegitimate. Well, what is the solution then? How can one guarantee the Croatian voter that he will be fairly represented?

[Tomcic] Obviously, the solution is in the system of the electoral law itself. Those who composed it and arrogantly insisted that it should be adopted right away, did not allow an equal, multi-party control of the elections, which is essential in the civilized world. To me it is positive enough proof that the HDZ plan was to partly falsify the results, and for that reason we cast serious doubt on the final results drawn from the state lists, and particularly on those in the constituencies. Those who want to prove that the elections in Croatia have been democratic will have to make a great effort to change the electoral law. The opposition has lost the elections, but it is not stupid.

In This State 150 People Make Decisions

[Modric] The HDZ wanted a two-thirds majority. And it did not get it. But it seems to me that this goal was still a little bit puzzling, was it not? For the HDZ has again won a majority in the Assembly, it is adopting laws alone, just as it has so far, and the president has unlimited authority. What more do they need?

[Tomcic] You are wrong. They need a change of the Constitution, because they obviously want to do certain things about Bosnia that the Croatian people would not support. Second, you should not forget that the HDZ, in addition to all the positive things it has done, and which it was obliged to do, has done many stupid things, falsifications, and manipulations. They have made their own capital in Croatia, and introduced a system of control over the executive authorities and banking system of the country, and so forth. In this state there are altogether 150 people who make decisions. The power to change the Constitution secures a chance to cement relations, so that no damage done by the HDZ over the past five years at the expense of Croatian citizens could be discovered ever again.

[Modric] But this mandate lasts four years! Do you think that you will be able to demand again, after four years, a revision of the transformation, for instance? Is that not naive?

[Tomcic] I agree. In four years there will be nothing we can talk about. However, the opposition has won a majority in Zagreb. The HDZ was somewhat more at ease there than it should have been, so they lost. The results in Zagreb are probably the most reliable reflection of the mood of the electorate. However, if the HDZ continues to stubbornly promote its one-party rule, it is quite certain that the opposition will find ways of standing up to them in Zagreb. And around 30 percent of the Croatian population lives in Zagreb, 50 percent of the Croatian industrial capacities are based there, as well as 65 or 70 percent of Croatia's financial potential. Therefore, through a wise policy in the city the opposition will certainly be able to establish a balance with the Assembly. Starting with Zagreb, we can begin cleaning up a great number of shameful blots with which Croatia is smeared, and everybody who thinks that the opposition's victory in Zagreb actually does not mean much will be surprised.

[Modric] Do you not think that in Croatia the centralization of power is huge, as well as the centralization of means, so your hands will not be quite free for action? For instance, Jakovcic has said these days that in his county only 1.8 percent of the county revenues remain there.

[Tomcic] That is true. However, the city controls the lease of office facilities, so we can immediately see what is happening with that. Or, we can establish why the city of Zagreb has transferred in a very peculiar way and without explanation around 100 million kunas to the state account. That sum is equivalent to 30 million German marks, and with that money the city of Zagreb would be able to resolve half of the problems in the public transport sector. Furthermore, in Zagreb many transformations of ownership are obviously questionable, so we can initiate individual revisions. Of course, those are merely segments, but through them one can start creating a climate that can be adopted thereafter by other cities or counties.

[Modric] Which is to say, the opposition will have to sneak in at the back door....

[Tomcic] Well, we are in such a position and we cannot help it....

[Modric] But Pasalic said that the HDZ would do anything to keep its own mayor in Zagreb, even though the HDZ has won only 35 percent of votes in the city, and that presupposes a coalition. But with whom?

[Tomcic] There are three definite representatives of Djapic's Croatian Right's Party, but I do not see any others. They are probably counting on some stronger party, because they need a lot to secure a majority. To increase their number, they could form a coalition with the Socialist Democratic Party [SDP], but I do not know what they could offer in return....

[Modric] Several days ago in TV Parliament broadcast Ivica Racan did not quite reject the possibility of cooperation with the HDZ.

[Tomcic] Knowing Racan, I think that such cooperation is absolutely illogical and impossible. True, Zdravko Tomac said in the broadcast that he did not dismiss the possibility that HDZ could try to form a big coalition government, and in that case a coalition at city level could be considered. That is Tomac's opinion.

HDZ Objects to the Integration of Zagreb and Zagreb County

[Modric] If the HDZ fails to find a coalition partner for Zagreb, is there a reserve option?

[Tomcic] It seems there is. Today I heard rumors that certain circles within the HDZ will demand revision of the decision on constitutionality of the integration of Zagreb and the Zagreb county.

[Modric] That is ridiculous. Several months ago, and explicitly against the will of the opposition, they merged the city and the county!

[Tomcic] Yes, they did, but if they were to annul that act now, they would annul the elections conducted in the city and the county, whose results do not please them at all. They do not want to give up local authorities, so that initiative is no wonder to me at all.

[Modric] You said earlier that the opposition has lost the elections. All right, officially that is true. But had Sokol not invented the 12 mandates of the diaspora, which is unprecedented throughout the world, the sum of votes would have been below one half. As all international observers question that part of the electoral law, has it been called in question at the Constitutional Court by the HSS, or by some other opposition party?

[Tomcic] Our Stjepan Rodes lodged a constitutional complaint against the entire electoral law, but it was turned down. I really do compliment the HDZ on such an invention. They made very good estimates on how popular they really are with the Croatian electorate, they had a system for falsifying part of the votes, and they obviously knew that the 12 mandates would be decisive. I am not going to discuss now how absurd it is for any man on Earth to exercise his right to vote in two states, and I am not going to discuss now the fact that by the Croatian electoral law the Croats in Bosnia-Herzegovina are indirectly deprived of their constituent character, but consider this: With only 80,000 votes the HDZ has won 12 seats in the Croatian Assembly. Which means that each of those representatives won on average 6,500 votes, while all others who entered the Assembly are supposed to have won at least 30,000 votes each! Tell me, is this not grotesque?

Useless Attacks and Pressures on the HSS

[Modric] You may protest now as much as you want, but the fact is that an early end to you is being announced.

[Tomcic] My end?

[Modric] Not personally yours, but that of the HSS. In the HDZ it is believed that your coalition with four parties, with which you were running in the elections, is an clear beginning of the end of the HSS.

[Tomcic] I very much respect their concern for the HSS but in that regard they can sleep peacefully. They failed to ruin us either by the Kasinska group, or the Varazdin group, or through the attempt to designate their Ivica Gazi as chairman of the HSS, or through Vujanic's group. The departure of Haramija from the HSS and his changeover to HDZ on the eve of the elections passed without effect as well. Their attractive offers met with no response on our part, nor from the IDS. Therefore I can say that we are not as weak as the HDZ would like us to be.

[Box, p 6]

[Modric] Even though 80 percent of your membership and supporters are farmers, this time you have won many votes from intellectuals. What is the reason for such a deviation, that intellectuals would vote for the list of Jozek Pankretic, who is a very handsome man but certainly not their natural representative? Where is the catch?

[Tomcic] It is obvious that intellectuals recognize the peaceful, stable, yet consistent policy of the HSS, which frequently insists on some fundamental and universal political goals that we are short of these days, and these are ethics, honesty, democratic rights, and tolerance in dialogue. When I became the chairman of the party, I invited all free-minded intellectuals to join us. Nobody in politics can do anything without intellectuals, and neither can we in the HSS.

[Box, p 6]

[Modric] On Monday the new prime minister is being appointed. What kind of government would you like to see, and what is our opinion of Zlatko Mates, who, it appears, is entering that position?

[Tomcic] The HDZ has retained a monetarist [as published] model, which was necessary at a certain stage, but is now counterproductive. Croatia does not have a concept of development, investment or construction. If there is a little wisdom in the HDZ, the new government must make a turn immediately toward a new model. However, even if the HDZ leadership decide to do that, they will accomplish nothing unless they conduct full democratization of society.

[Modric] Why are those two things bound up with each other?

[Tomcic] Because we do not have the necessary assets for economic development. There are some reserves from conversion and natural resources, however Croatia needs fresh capital, which is only to be found abroad. Foreign currencies will come only when foreign businessmen see here general democratization. Possible creditors and investors will come here when Croatia starts to be a country of human, national and media freedoms, when private property is protected, when the legal system is independent, and interest rates appropriate.... Nobody from abroad will come here to be told rubbish such as how Croatia has zero inflation, whereas its monthly interest rate is 4 or 5 percent. Matesa is an extremely likable man, and I think that in the economy he is an absolute ruler. However, in the current structure of authorities neither Matesa, nor any other prime minister will be able to make his own decisions, but will have to conform to yardsticks set by the HDZ. Thus Matesa, just like anybody else, becomes unimportant. [Box, p 7]

[Modric] How do you assess the election campaign in the media?

[Tomcic] The campaign was not only unequal, but it was disgracefully unequal, both financially and with regard to media presentation. I assess that the HDZ campaign cost from 20 to 25 million German marks. Where did they get that money from, I ask you? Therefore we are demanding proof—I say this for the 11th time already, and I will be persistent in repeating this—that the HDZ has paid for its numerous presentations on the Croatian television. I said that one day we shall replace the current disgraceful management of the Croatian Television [HTV]. Some specialists who watched the live coverage by HTV of the main rally of the HDZ on Ban Jelacic Square, and a subsequent report around 2300, tell me that in the report there were evidently interruptions in the sound, while some even noticed images that did not show that rally at all. Does the HDZ really think that the Croatian public is stupid?

Nor is the situation much better with regard to newspapers. The HSS held around 700 election presentations, and I personally around 100. However, all the newspapers together reported on, perhaps, 10 percent of all that. Here I have to exclude NOVI LIST and GLAS ISTRE, being the fairest newspapers covering the elections. Following the HSS news conference VECERNJI LIST brought out several lines on it, but next to that report they put out a picture and a two column report on Ante Babic, who is a totally marginal personality and whose task is to undermine the HSS. From our news conferences the press regularly picked the most meaningless, incidental statements, while in our fixed time the HTV excerpted only the mildest, incoherent and most stammering parts. It is obvious that we were to be shown as feeble, lukewarm, incapable dilettantes.

[Modric] How do you comment on current collective enrollments in the HDZ—athletes, singers, theater.....?

[Tomcic] And what is to be said about it? Sheer blackmail: If you do not join the HDZ, you will disappear from television, show-business, or stage, and you are finished.

[Modric] But why do their associations not react?

[Tomcic] (Laughs) And will you tell me, madam, why 90 percent of your colleagues treat the HDZ with servility? Over the past five years Croatian journalism has absolutely lost its professional ethics and morality, it has lost its objective stance, and agreed to unconditionally serve a single political option. If you want me to tell you why singers or soccer players behave in such a way, then you should tell me why the situation is the same among journalists, whose responsibility is much and incomparably greater than the responsibility of a pop singer.

New PM Said To Continue Valentic Policy

AU1411083195 Split SLOBODNA DALMACIJA in Serbo-Croatian 8 Nov 95 p 4

[Commentary by Danko Plevnik: "Valentic's Tax State"]

[FBIS Translated Text] Less and less people seem to know what economy is. It appears to be more suitable to discuss it in the plural, as economies; there is micro economy (the economy of individuals and firms), macro economy (the economy of the national state), trans economy (transnational economy of money and capital), and geoeconomy (world economy). Theoreticians of economy have problems similar to physicists who cannot find a common theory for their four forces, so they ask whether it is possible to have an economic policy at a point where there is no single economic theory capable of encompassing and explaining the four economies? Chicago economist George J. Stigler was awarded the 1982 Nobel Prize for economy because of his longitudinal survey, carried out over several years, in which he managed to prove his thesis that not a single regulation passed by the administration in an attempt to stabilize and regulate its economy worked!

The Incumbent's Honor

If we still have any courage left for deduction, we could calmly say that each government is equally successful or unsuccessful and is the necessary evil that goes with any authority. However, what seemed impossible to economic theoreticians and Nobel laureates, seemed quite possible to the master of Croatian miracles Franjo Tudjman who ushered the former prime minister into political retirement with the words that he "had had the honor of successfully implementing the program of Croatia's economic stabilization." This means that according to economic laws, this program had been predestined to succeed, while the honor that came from realizing it fell to the one on whom the mercy of implementing it had been bestowed. In any other event, it would have been impossible to replace Valentic with Matesa. In his brief address to the public, Nikica Valentic indirectly revealed why the economy in Croatia was so important, sysysybut not free. It was in the service of the general historic idealism [preceding two words printed in boldface] of submitting to "state interests."

Valentic's rule can be described as the rule of "Der Steuerstaat"—that is, the rule of the tax state. Up until World War I, governments could barely collect 5 percent of the national income through tax. Following the war, this percent rose steadily, which in turn led to absolutization of governments and absolutist governments. Valentic did not build his tax state with the goal of redistributing national resources or increasing them, but with the goal of channeling all financial transactions through the state's hands and for state hands, thus attempting to influence the production system. The bill for this was footed by small taxpayers and shareholders, because while their profit was being eaten up by taxes, it was difficult to force the big taxpayers to pay up. As for the biggest taxpayers, neither tax auditors nor the financial police dared to show their faces before them. Several Croatian tax auditors in the field have confirmed this claim. Since his tax state was to a large extent a means for those who decide who can and cannot be taxed, it is clear that his legal state had similar goals.

What Ante Markovic [last SOCIALIST FEDERATIVE REPUBLIC OF YUGOSLAVIA prime minister] attempted to do in Yugoslavia, Nikica Valentic tried to do in Croatia. Markovic boasted a convertible dinar, significant foreign currency reserves, stabilization, and cooperation with the MMF while ignoring the prime minister's political obligations, which is the same story preached by Valentic: we have a convertible kuna, the MMF congratulated us on stabilizing the economy, we have built up large foreign currency reserves; human rights issues and police and army abuse are the concern of politics, not the economy.

Politics, after all, constitute a contest of power, and he knew where his interests lay.

However, as a lawyer, Valentic was not as interested in macroeconomic policy as Markovic, an engineer, who went through all the phases and levels of economic decision making in the former country. Transformation according to Markovic gave people some sort of hope that the dignity of their accumulated work would be respected. The largest single ownership block in U.S. industry comprises 1.5 million members of the AARP [American Association of Retired People]. Instead of becoming the largest Croatian capitalists on the basis of their retirement funds, Croatian pensioners are on welfare provided by their Croatian state, proscribed as "commies" [komunjare], usurpers of the "never again" and "no longer existing" socialist, state owned property. Out of all the political and economic rights, those removed from power were only allowed to vote and pay taxes.

Hocus Pocus Solutions

For Valentic, the purpose of the state was to secure enough funds for the state apparatus. That is why he allowed everything just to swell state coffers, including "hostile takeovers"—that is, the sale of companies against the will of the management and the entire region, as was the case with Karlovac brewery. When Skegro's cynical regulation failed, Valentic lacked the courage to "take away his mission" [demisionira]. He favored everything that brought ministries—rather than farmers and domestic manufacturers—money, and only protested against the "system" when the Herzeg-Bosnia smugglers refused to pay taxes. When he failed to demonopolize certain state services and economic branches, he was inclined toward hocus-pocus solutions by promoting "state management". The most vivid product of such solutions is Ivica Mudrinic.

As the receiver of Tudjman's mercy, which allowed him to deal with the economy as one of Croatia's miracles, Valentic actually could not accomplish more. Had he not been truly industrious and spend hours of overtime both in his office and out in the field, the results would have been significantly smaller. Moreover, Valentic should be given credit for postulating the strategic course of Croatian economy by insisting on a stable kuna, since every, and therefore also Croatian currency, is overestimated in relation to one branch of the economy, yet underestimated in relation to another branch, in which efficient production and competitiveness stand out. International economy, namely, is becoming increasingly symbolic [simbolicna], therefore, increasingly financial, monetary, currency oriented, and so forth. The unification of Europe centers around a central financial and economic issue, namely, the maintenance of a stable currency and low inflation. For example, Germany considers this to be the most important European issue today, and the only realistic ticket to a single currency within the EU.

Valentic rather persistently followed this path, and so will Zlatko Matesa who, in addition, has had much more experience than Valentic in the practical building of relations with the most important European financial institutions. As a lawyer who holds similar "transformational" views, Matesa will maintain the lawyer-prime minister continuity of the Croatian Government, and since in habitus and style he resembles "Eurocrat" Mate Granic, he will turn a blind eye to the nonobservance of the legal and tax state with a lot more style than Valentic.

All in all, there are no essential changes in Tudjman's administration since Gojko Susak will continue to be the number one man in the Croatian government. Not even Zlatko Matesa will upset this hierarchy. On the contrary, he has been appointed to the office as a useful clerk so as not to upset Tudjman's vision.

Susak Pays Tribute to Army's Efficiency

AU1011120195 Zagreb VELEBIT in Serbo-Croatian 20 Oct 95 pp 5-9

[Report by Kristina Matica Stojan on Croatian Defense Minister Gojko Susak's speech to the 3d HDZ Congress in Zagreb on 14-15 October: "The Future of Croatia in Safe Hands"]

[FBIS Translated Excerpt] [passage omitted]

The Victory of the Croatian Man

Defense Minister Gojko Susak described the founding and development of the Croatian Army as an enigma that history will have to deal with, since international military and political experts had said that Croatia would not last two weeks. "The Croatian Army has produced many enigmas, such as Operation Flash, Operation Storm, Operation Mistral, to all those involved in military analyses, strategic assessments, and forecasts. However, it is the task not only of the military analysts, but of all those responsible for the founding and shaping of Croatian history. There can in practice be no Croatian future without history in our schools and libraries. I am sure that with Operation Flash, Operation Storm, and Operation Mistral the Croatian Army has written one of the most illustrious pages of Croatian history. The world has shown a great interest in what we have done and particularly how we have done it, how it was possible. Two days before Operation Storm many distinguished foreign military experts and diplomats gave us friendly advice, saying: 'We do not believe that your forces are capable of a clean European victory, particularly in the mountainous parts of the Krajina. The Serbs will attack across the border in Sector East, Orasje, Prevlaka, and so on.' But now, after the 38 hours of Operation Flash, the 72 hours of Operation Storm, and the approximately 60 hours of Operation Mistral, these same people are wondering, 'How did the U.S. experts help you and to what extent? What new weapons did you use?' and so on.

"Well, gentlemen, I can state before you with full responsibility, for the sake of truth and the historical record, as well as our future: No one helped us and we have never asked anyone for help. Many cannot, or perhaps do not want to, understand what the answer to the enigma called Operation Flash or Operation Storm is, because it is very simple. Gentlemen, it is a victory of the Croatian man, of the Croatian soldier, noncommissioned officer, and officer, a victory of the Croatian national mentality, but also, I would like to emphasize, of the wisdom and determination of the Croatian state leadership.

"Gentlemen, it is a victory of the Croatian Army, the symbol of the existence of the Croatian people, its firmness and determination to be in control of what belongs to them. This is Croatian national leadership, courage, determination, wisdom, and ability. The international community has rightfully started to show open interest in Croatian war skills and knowledge, as well as everything that made Operation Flash, Operation Storm, and Operation Mistral possible. Let me, for instance, consider the logistics and the engineering units. It is known from the history of warfare to what extent success in war depends on good and prompt logistical support, on supplying the troops at the front line with ammunition of all kinds and calibers, fuel, lubricants, and other matters, on transport, the maintenance of weapons, military equipment, and other equipment, on accommodation, clothing, food, shelter, medical and veterinary support. Moreover, without good support from the engineering units the probability of survival on the front is considerably reduced, losses increased, and troop mobility decreased. Surveying the terrain and securing movement and maneuverability in all conditions, putting up fortifications, camouflage, obstructions, passages through mine fields and roads, often several kilometers of roads in the course of a single night, in the mountains, in winter, in the rain, are only some of the tasks that the Croatian engineering units carried out exceptionally well."

The Croatian Army—A Symbol of the Unity of the Croatian People

"During the past four years many complex activities, tasks, and changes have taken place in the Croatian Army, which I have not had the chance to speak about. The creation of an operational, well trained army, ready for combat from practically nothing was our most important and difficult task. Guards brigades were created that have become a symbol of the unity of the Croatian people and their determination to achieve freedom and a sovereign, independent Croatian state. People from Zagorje, Podravina, and Slavonia fought on the rocky Dalmatian ground, on Mts. Velebit and Dinara, while Dalmatians and Herzegovinians fought in the plains of Slavonia, and Istrians in Lika. Croatia has never been so powerfully integrated, so united, as it is in the Croatian Army. This is why it has been successful, powerful, efficient, firm, and invincible. Let it be the reason for it to be a symbol and a model of the way for us to succeed even when it is impossible.

"Mr. President, your program and that of the Croatian Democratic Community [HDZ] has been completely implemented through these tasks. The struggle for a free and sovereign Croatian state has revealed that the Croatian people have a great strength of which they were not aware. This strength, which had been considered a virtue of the Croatian people and the Croatian soldier for centuries, was systematically repressed during the past 70 years under Serbian hegemony and Yugo-Communist domination. Thanks to the Croatian Army and the Homeland War, the values of the Croatian man and the Croatian people have been revealed in the most powerful way. Those who had prepared to square accounts with the Croats had no idea how great the Croat heart is, how great the love of the Croat for his homeland is. The creation of a powerful, operational, trained army, ready for combat, was the basic task, but not the only one.

"It was at the same time politically very important and almost essential to create an army founded on democratic principles and values, which would understand the relation between civilians and the army and the need for civilian control of the military system. The basic democratic values of the most developed Western countries are being established, developed, and consolidated through curricula at all educational levels in the Croatian Army and the school for noncommissioned officers, officers, and the command headquarters. It is for this reason that we are paying special attention to the Croatian-U.S. project: the democratic transition and organization of the Croatian Army. It is for this reason that we have been cooperating with experienced U.S. officers and other officials, since we have not had such experience, knowledge, or values. We point this out particularly because democratic changes have not resulted in such success in the military circles of any of the former communist countries. The influence of the army on politics in these countries is still very powerful."

Education—A Guarantee of the Strengthening of the Croatian Army

"It is for these reasons that I would like to stress here that the Croatian Army, though founded in the war and grown during the war, is being educated and is developing according to the basic values of civilian and military relations of the most developed democratic countries in the world. We have been paying particular attention to the education in the Croatian Army throughout the war. We will continue to do so since funds invested in education are the wisest long-term investment. Investing in the constant education of the Croatian Army has made it possible for the army to become increasingly strong every day. In the Maslenica action, in the Medak Pocket action, in Operation Flash, and in Operation Storm it was possible to see the increase in the power and readiness of the Croatian Army.

"After 1991 we organized the Croatian Military Education Center, and within it the noncommissioned officers, officers, and command headquarters schools. Almost 200 senior officers of the Croatian Army have gone through the command headquarters school, over 2,700 through the officers school, and 220 through the noncommissioned officers school. The military readiness and strength of the Croatian Army grew through them and their knowledge.

"At present the Personnel Department of the Ministry of Defense is also taking special care of the education of all the staff officers of the Croatian Army whose education was interrupted by the Greater Serbian aggression. Over 1,300 staff officers of the Croatian Army are being educated in civilian high schools, while 566 of them are attending community college and 343 are in college. Some of them are already working on their postgraduate theses and the first doctoral theses, which are to lead to the founding of scholarly work in the sphere of war skills, leadership, and command, can be expected as early as next year.

"We believe that the soldiers, noncommissioned officers, and officers of the Bosnia-Herzegovina Army will soon join the Croatian Army and Croat Defense Council staff officers in the Croatian Army military schools.

This is our wish, which we base on the Washington and Split Agreements.

"Moreover, when we started to found the military education system four years ago, we were at the same time at war, and we chose a specific system for which there was no model in the entire world. We chose the only model that was acceptable, which represented the only way to a rapid strengthening and growth of the Croatian Army. Croatian heroes, noncommissioned officers, officers, and generals were created during the Homeland War, without military academies or protracted military education. The Homeland War was the most difficult but also the best school in which they all achieved excellent grades. I often pointed out during these years of war: Our best, most talented, and most courageous soldiers, noncommissioned officers, and officers are on the ground. Many of them did not have time for formal education. They often said they knew that much can be learned in school, but much more can be learned in war. These people, who acquired their diplomas on the ground in the war and in direct fighting, commanding our guards brigades and other units, and winning under conditions of exceptional physical and mental strain and stress deserve our special care and attention. It is therefore no wonder that some of them became generals in the Croatian Army at 27. This is possible only in war, with exceptional courage, sacrifice, effort, success, and victory.

"We have organized many seminars for top civilian and military staffers at the Ministry of Defense in cooperation with retired senior U.S. officers and experienced experts in the fields of management, forming and management [formiranje i management], military resources management, and so on. In those seminars we have paid particular attention to the need for further development and strengthening of the leadership, which, as an academic discipline, originated in the U.S. Army. Successful commanders must know how to encourage the people around them, how to lead and encourage their associates, how to organize themselves in a quick and efficient way, how to create teams, and how to achieve goals.

"How does one develop good leaders for the top military and civilian levels within the framework of Croatian democratic society? Let us not forget that for the past 70 years, until the democratic authorities were established, Croats were forced to leave the management and decisionmaking system to others. In this way the Croatian national leadership was disappearing. The Croats were therefore leaving the forming of the fate of the Croatian people to others. At present Croatian state policy, under your leadership, Mr. President, has a Croatian national leadership that is clearly recognizable abroad. Through the seminars at which top U.S. generals present their experience in managing the armed forces of the United States, we are working towards further strengthening the leadership in the Croatian Army. Through exchange of knowledge and experience these seminars contribute to the further education of top civilian and military staffers at the Ministry of Defense.

"The increasingly intensive cooperation between the Ministry of Defense of the Republic of Croatia and the U.S. Department of Defense is, as you know, based on the agreement on bilateral military cooperation that was signed on 29 November of last year in the Pentagon with Secretary Perry. The basic aim and task of the cooperation is to promote and maintain peace, to strengthen the security and stability of Europe; it is therefore not aimed against the interest of any of the neighboring countries. It has not been paid enough attention lately because of Operation Flash, Operation Storm, and Operation Mistral.

"I would like to point out only some of the results of the cooperation. Officers of the Croatian Navy, the Croatian Air Force, the ground forces, and the Military Police are already attending education institutions in the United States, in Alabama, California, Oklahoma, Virginia, and so on, where they were received with the respect that befits members of a winning army. We believe that our officers will learn many useful things there, but also that their U.S. colleagues will be able to learn a lot from them. The doors of West Point are open to us and those of many other renowned military schools are also opening.

"I would like to emphasize that this summer some staff members of the Ministry of Defense of the Republic of Croatia were involved in the activities of the George C. Marshall European Center for Strategic Studies and Economics of Defense in Garmisch. Through joint activities related to the issue of long-term planning, organization, and entrenching of the defense system, within this institution the strategy of national security of each country is elaborated on, the organization of their defense systems and the problems of supply are analyzed, and so on. The best civilian and military experts from most European countries take part in the activity of the European Center—military planners, analysts, and professional diplomats. The aim of the institution is to provide appropriate education of civilian and military employees in the fields concerning the forming, organization, and financing of the defense system, in the way it is done in developed countries.

"The Croatian arms and equipment industry has also greatly contributed to the overall strengthening of the Croatian Army during the past several years. Without its support the final military success would not have taken place.

"Considerable efforts are also being made in the sphere of technological and scientific improvements. The military and technical council of the Ministry of Defense, in cooperation with Zagreb University and the Ministry of Science, has been providing full support to the science that will keep up with the needs of the Croatian Army and the arms and military equipment industry. Therefore, we will encourage and promote the science that will work towards promoting the tactical and technical abilities of the Croatian Army in a direct and specific way, as well as the processes of further strengthening and modernization of the defense system as a whole. We are therefore looking for a science that will have the feeling and responsibility for the consolidation of the defense readiness of the Croatian state; it is a science that is to support the Croatian arms industry even more strongly, giving rise to new potentials and prospects. The military and technical association [as published; cf military and technical council above] of the Ministry of Defense will, in cooperation with the Ministry of Science and Technology and Croatian universities, provide the financial support for the development of the necessary scientific-research and laboratory infrastructure in order to meet the tactical needs and demands of the Croatian Army in various development and scientific projects.

"I would like to emphasize that, by specializing the postgraduate studies at the Zagreb University that we started, such as for instance the guiding and control of mobile objects, we will support a more powerful and decisive restructuring and adjustment to scientific research activity. A country that has an army must also have the science and technology to support the independence and sovereignty of the country. The forming, training, and consolidation of this infrastructure is the task of the military and technical association the members of which, apart from the leading figures from the Headquarters and the Ministry, are professors and deans of most of the technical faculties and representatives of the leading scientific institutions, such as the Rudjer Boskovic Institute, the Institute of Naval Engineering, The Physics Institute, and so on, as well as representatives of the Croatian arms and military equipment industry.

"As you see, in this part of my speech I have paid a little more attention to education in the Croatian Army to meet the needs of the Croatian Army because we want to win in peace too, but we are aware that it is possible only with knowledge, and, certainly, with a suitable budget. We understand that the Ministry of Defense of the Republic of Croatia will have to accept immense financial limitations imposed by the budget, but I want to point out that any decrease in the power and ability of the Croatian Army without a permanent and stable peace would also mean the decrease in the ability of the Croatian state to implement its basic political aims and carry out its tasks.

"After all the lessons, sacrifices, and suffering of the Croatian people since 1991, there are still those who are considering demilitarization of the Croatian state.

"Gentlemen, a country without an army, particularly in the region in which we live, cannot survive. Do not forget that we were disarmed by both Yugoslavias. In 1991 we had only a few Kalashnikovs, but we had to wage war against what many experienced military experts said to be the world's seventh strongest military force. Croats will never allow anyone else to disarm them, especially not Martic's [leader of rebel Serbs in Croatia] people. During these years of war we got as far as one third of the budget, which is still much less than is the case in the developed countries of the West. However, do not forget that the price of a tank or an aircraft is the same for all. These are great expenses. Nevertheless, five years ago we had no army, no weapons, no military industry, no other infrastructure. Everything had to be created fast, deadlines often had to be met that were at least 10 times shorter than what is common.

"In addition to that, we had to wage war against an enemy who had been preparing for it for some 50 years and invested over $100 billion in their JNA [Yugoslav People's Army]. Even if we had had what we did not have, it is a well known fact that war budgets are an exceptional burden for any country.

"We were aware long ago that political wisdom alone would not be sufficient to found the Croatian state. The founding of the Croatian state without the founding of the Croatian Army would not have been realistically possible. We should never forget that the reason Croatia has acquired the attention and respect that it has is precisely its just, determined, and tenacious struggle to defend itself. Through their flashes and mistrals the Croatian people have acquired a reputation abroad. It is only Operation Flash, Operation Storm, and Operation Mistral that have paved the way for a peaceful resolution to the crisis in the region. Croatian political strategy has been coordinating its politics and political goals with the growth and strengthening of the Croatian Army.

"Indeed, perhaps it should be asked whether we as a ministry have been operating well all these years. Many areas within the activity of this ministry belong in the sphere of exact sciences and there are standards and indicators by which conclusions can be made. I will leave that judgment to others and to history, but I will point out one thing: On 24 May 1991, when we founded the Croatian Guards—in other words, an army—at the Zagreb soccer stadium, with only a few Kalashnikovs, many laughed at us and the opposition parties in the Croatian parliament set up a committee that was to examine the constitutionality of the decision. I do not know what decisions this committee made, but I am sure that the Croatian people and all the citizens of Croatia will confirm at the forthcoming elections that our decision was the right one.

"Mr. President, by carrying out your orders we have managed to defend Croatia. The Croatian Army is at present a powerful regional force; the direction and the screenplay for the final act are finished. We await your order!" [passage omitted].

Ivanov on Economic Prospects After Lifting Embargo

AU1411114095 Skopje NOVA MAKEDONIJA in Macedonian 11 Nov 95 p 15

[Report by Violeta Cvetkovska on interview with Minister of Economy Risto Ivanov; place and date not given: "Large Door for Business"]

[FBIS Translated Text] One of the most important reasons for the current situation in the economy, that is, for the fall in production, for the unequal level of foreign exchange, and for all the other accompanying consequences, is the external situation, that is the blockade of the northern, but primarily of the southern border for nearly two years. With the lifting of the Greek embargo, a big relaxation is expected to follow.

We discussed with Minister of Economy Risto Ivanov about the importance for the Macedonian economy of unblocking the southern border, and about the preparedness of the Macedonian economy to accept these new conditions.

"Generally speaking, the foreign policy that is being carried out in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] has resulted in opening of the border with the aim of making better use of the results, the capacities, and potentials of the Macedonian economy. In the past period in which we were implementing a difficult stabilization program, one of the many goals was to provide an open market in which competition would lead to more efficient production and satisfy the standards and norms of the developed countries."

Opening the Market

After the opening of one part of the border and the possibility for free flow of goods, people, and capital, a step further has been made toward relaxation of relations for economic activities. This is the first precondition for reaching an equal footing in competing with the high demanding norms of the foreign markets, first of all in the developed countries. Another important element, in Minister Ivanov's opinion, is that with the lifting of the embargo there are possibilities for alternative ways, for selecting economic subjects based on real economic calculations in choosing the way of selling the products. If there is a choice, there are always possibilities for better results and greater profits.

It is also very important that in such a relaxed situation the reforms can be advanced, because we can count on stability for a longer period of time. These are the basic preconditions for undertaking system reforms in restructuring enterprises and in the policy of joint venture in the Republic of Macedonia.

On the concrete plan, according to the minister of economy, we have several advantages: We can develop exchange with another neighboring country, regardless of its size, but in any way another market for the Macedonian economy has been opened. Moreover, the roads will be shorter and there will be alternative seaports which will easily provide us with access to European and world markets. Furthermore, some deals that depended on the railroad traffic, which were stopped in the last 23 months, will be now reactivated.

Joint Activities

As for imports, there are now better opportunities for more rational and larger supplies, which will decrease the costs, while the situation in exports has also been improved and better effects are expected. Another important element is that the general climate for cooperation with Macedonia has also improved. Those partners who refrained from cooperation with our country knowing the problems of the embargo are now returning and renewing former contracts, and this is not only related to our and Greek partners, but also to other countries. In Minister Ivanov's opinion, the political risk has been reduced, and as a result some countries have announced through their agencies that they want to start insuring investments in Macedonia from political risks. This moment is opening the way for a greater entry of foreign investors.

After the lifting of the embargo, there came the first contacts with Greek institutions, economic associations, and bilateral contacts with some businessmen. At the beginning of the unblocking, these contacts were aimed at getting primary information about our political and economic situation, the directions in which we are planning to make changes in the designed policy of the government and parliament, the legal solutions that are adopted by the parliament, and general information on the foreign trade system and legal solutions that are related to foreign trade, foreign investments, or other forms of cooperation. Ivanov says that these discussions went into three directions: The possibilities for promotion of foreign trade, possibilities for joint investments, that is mixed companies, and possibilities for joint access to the European market. All three forms of cooperation were also discussed in the Chamber of Economy where options meeting the interests of the Greek economists were offered as to which companies to deal with, and it was decided that the first positive results would be if one Macedonian and one Greek company could find a common interest in all these three forms. There had also been talks about our membership in the PHARE

[Economic Reconstruction Aid for Poland and Hungary] program and the assistance that the Greek side can offer as a member of the European Union in meeting the demands and in expanding the assistance that is received from the PHARE Program, in which there was a large interest for investments in the infrastructure and the energy plants.

In Minister Ivanov's opinion, all these items complete an atmosphere in which our economy will be given a chance to demonstrate all its potentials and ideas in a competitive atmosphere and to be involved in a greater activity in general in which the engagement of capital and workers will be greater.

Envoy Recalled in Wake of Nigerian Executions

LD1311174295 Warsaw Polskie Radio First Program Network in Polish 1700 GMT 13 Nov 95

[FBIS Translated Text] Poland has officially condemned the execution of Ken Saro-Wiwa, the Nigerian writer and human rights defender, and eight fighters for the minority rights of the Ogoni people. The foreign minister's spokesman let it be known that it was also decided to recall the Polish ambassador to Lagos back to Warsaw for consultations.

According to Polish authorities, both the execution of the prisoners who were deprived of basic democratic rights to defense during the trial and the severe sentences of the special military tribunal for the former head of state and the participants in the alleged attempt to stage a coup d'etat prove that the Nigerian authorities decided to adopt a course of confrontation with the international community.

Minister To Visit Moscow To Discuss NATO

LD1311175895 Warsaw Polskie Radio First Program Network in Polish 1500 GMT 13 Nov 95

[FBIS Translated Text] Foreign Minister Wladyslaw Bartoszewski will pay an official working visit to Moscow on 15 November at the invitation of Russian Foreign Minister Andrey Kozyrev.

Jerzy Bahr from the Europe department at the Foreign Ministry said that Minister Bartoszewski would discuss in Moscow the issue of Poland's aspirations to join NATO. He stressed that, although for the time being the Russian views on the issue of the expansion of the euro-atlantic structures remained unchanged, this did not have a negative influence on Polish-Russian bilateral relations.

[Begin recording] [Bahr] This is the only real controversy, but both sides are aware of the fact that this controversy, which will certainly continue to exist for an unforeseeable period, should not and may not influence bilateral relations, which must develop in the way relations between neighbors should develop. There always are certain practical matters that need discussing. On their side and on our side there are good relations, deprived of great controversies—truly good-neighborly relations. [end recording]

Walesa, Kwasniewski in First TV Debate

LD1311084095 Warsaw TVP Television First Program Network in Polish 1905 GMT 12 Nov 95

[Studio debate between Polish President Lech Walesa and Democratic Left Alliance Chairman Aleksander Kwasniewski, chaired by Wieslaw Walendziak, Polish television chairman, with the participation of Andrzej Kwiatkowski, deputy chief editor of PRZEGLAD TYGODNIOWY weekly, Slawomir Zielinski, "Panorama" correspondent, Jan Nowak-Jezioranski, director of the Polish section of Radio Free Europe, and Jerzy Marek Nowakowski, director of the Fifth Program of Polish Radio—live]

[FBIS Translated Text] [Walendziak] Good evening, ladies and gentlemen. At this hour in a week's time, we will get to know the first poll results of the presidential elections. We will then reply to the question: Who will be president for the next five years? Will it be Lech Walesa or Aleksander Kwasniewski? Today, both of these politicians are our guests in the Polish television studios. Good evening, Mr. President.

[Walesa] Good evening.

[Walendziak] Good evening, sir.

[Kwasniewski] Good evening.

[Walendziak] Ladies and gentlemen, the presidential debate is to familiarize people in detail with the views of both politicians on the most important issues which today concern us as voters. It is also to bring closer the vision of the presidency of both of these politicians. This is a detailed program, and it is ruled by detailed regulations. These regulations were determined in the course of difficult, long negotiations between the two electoral staffs. The order of questions, the time for answers, the subjects, all of this is determined in detail.

Questions to Lech Walesa will be set by journalists invited by Aleksander Kwasniewski. They are: Andrzej Kwiatkowski, deputy chief editor of PRZEGLAD TYGODNIOWY, and Slawomir Zielinski, a correspondent from the "Panorama" television program.

In turn, questions to Aleksander Kwasniewski will be set by journalists invited by Lech Walesa. They are: Jan Nowak-Jezioranski, for many years director of the Polish Section of Radio Free Europe, and Jerzy Marek Nowakowski, director of the Fifth Program of Polish Radio and author of the "Racja Stanu" television program.

My name is Wieslaw Walendziak. I am the chairman of Polish Television, and I have the honor of chairing this debate.

In accordance with the decisions made, we start from the constitutional position of the president in Poland, from the vision of the presidency of the two politicians.

Gentlemen, in the course of many electoral meetings you often formulate aims which go considerably beyond the present prerogatives of the president. Aleksander Kwasniewski, for instance, promises young couples new housing. Lech Walesa promises an improvement in the lot of pensioners. Does this mean that, after victorious elections, each of you will demand a widening of presidential powers so that these aims, these postulates, be realistic? Or else will these postulates die a natural death on 9 November? Mr. Aleksander Kweasniewski, please.

[Kwasniewski] Ladies and gentlemen, this debate ought indeed to be a debate about the most important affairs of Poland, and I think that it will be one like that. But for that to be so, it is of course necessary to clear the foreground. For several weeks I have been the object of attacks, as has been my wife. These are attacks which are unjust. I am an honest person, and I would wish that this honesty not be subject to any discussion. Replying to the appeal of the Sejm, I have before myself a statement about my income, about my assets, about the taxes which I have paid. And I want to pass this statement to Mr. Walesa, with a request that in accordance with the Sejm appeal he do the same, and that we could have this subject behind us as a closed one. [Kwasniewski gets up, walks across to walesa, and hands him a few sheets of paper] And that it be possible to indeed move to a serious discussion about Poland.

Also, if you are asking about programs and how to implement them, then I will reply. Of course, the presidential prerogatives are specified in the Constitution. I feel that they ought more or less to be maintained. On the other hand, the president can play a significant role with regard to various issues, including in this economic and social ones, on condition that he cooperates with the government, that he cooperates with parliament. I want to be a president who will cooperate. I have such an opportunity, since the parliamentary majority which exists today in the Polish Sejm is such a majority with which I do imagine effective cooperation and the resolution of such problems as housing for young people.

[Kwasniewski continues] I think this is my trump card and not a doubt: the large parliamentary floor group of the Democratic Left Alliance [SLD], the parliamentary majority. We don't have to waste time, we can solve these problems.

[Walendziak] Thank you very much. Questions to Mr. Aleksander Kwasniewski have been prepared by Mr. Nowak-Jezioranski, and Mr. Marek Nowakowski. Please go ahead.

[Nowak-Jezioranski] Mr. President, I'm sorry, Mr. Chairman...

[Walendziak, interrupting] Excuse me, excuse me, Mr. Lech Walesa will answer the questions.

[Walesa] Indeed, I was surprised, that something here is...[interruptions indistinct]...Mr Kwasniewski began by saying that he wants to clear the kindergarten [przedszkole], [pauses]...the ground [przedpole]. I'm very glad. The only thing is that clearing the ground requires something else, too. Mr. Kwasniewski proposed a television meeting to me. I agreed to it. But Mr. Kwasniewski in his speeches, and Mr. Kwasniewski's postcommunist people, insulted the president very strongly. Mr. Kwasniewski himself insulted the president's family, ferreted around in biographies, and therefore I thought that [clearing the] ground would begin with an apology for the despicable approach to matters, for the dishonest conduct of the campaign, and this would be the right sort of clearing of the ground. Defense of oneself alone is probably not a proper clearing of the ground; and for that reason, if we want to talk seriously, I would like you to apologize for insulting the president, for statements by your people such as that they are ashamed of the president, and so on, you know. Then I will talk seriously to you, for otherwise I think you are not a serious politician, and in view of that I don't really know what we will talk about.

[Walendziak] We have prepared a series of questions for you, gentlemen. This will undoubtedly facilitate the conduct of this debate. Please go ahead, the gentlemen invited by Lech Walesa.

[Nowak-Jezioranski] Mr. Chairman, you joined the PZPR [Polish United Workers Party] shortly after it had written into the constitution a provision on the leading role of the party, which imposed the supremacy of that party and its ideology on all citizens, regardless of whether they professed that ideology or not—supremacy over the state and the church. At present, on the other hand, you come out against the introduction of Christian principles and values into the constitution, using the argument that not everybody professes those values. Is there not a certain hypocrisy in this behavior, and, well, double morality?

[Kwasniewski] Not in the least. This is a drawing of conclusions. I think that that decision to write the leading role of the party into the constitution was the beginning of the end of the party. It violated the principles of democracy and was, I think, the party's suicide, because it is impossible to write anybody's privileged role into the constitution. This will always rebound on those institutions. If I think today that one must not write in a privileged role for any of the churches, or for any public institution, it is in fact because it is time to draw the conclusions. I think a democratic state is one in which everyone has equal rights, and they are binding on everyone. The churches are equal among themselves as well. Of course, they have all freedoms, but if you think that the answer to that provision about the leading role of the party should be a provision about the leading role of the church, well, sir, we are talking about a totally absurd world. This is a misunderstanding, a misconception.

[Nowak-Jezioranski] I just want to stress that you approved at the time, because directly after this provision was written in, you joined the party which introduced this sort of principle.

[Kwasniewski] You know....

[Walendziak, interrupting] We are talking about the president's constitutional position.

[Kwasniewski] My role in 1977 regarding the constitution was truly nonexistent. I can jointly create it today, of which I am very proud. I feel this responsibility; but, if you want to know, that's not why I joined the party, because there was that provision in the constitution. However, I think and I am absolutely convinced of it today, that writing privileges into the constitution is usually the beginning of the end of the institution which obtains those privileges.

[Walendziak] Mr. Jerzy Marek Nowakowski, go ahead, please.

[Nowakowski] But the Constitution is built on a foundation of values, and could you describe what values, what principles form the foundations on which the Constitution, of which you are a coauthor as the chairman of the constitutional commission, is based. And, if I may, to supplement this question on the vision of the presidency, could you briefly say what are your role models as president or candidate for president of the Republic?

[Kwasniewski] Let us begin by saying that Poland could finally have a constitution. This also depends on the outcome of the elections on 19 November. We have been reforming Poland for six years now, but there is no constitution. And I think it is high time we had the basic law.

Second, I think this constitution should be based on the principles of liberty, equality, and tolerance. It indeed has to make use of the experience of both the Polish statehood and Polish constitutionalism. And as far as the atmosphere is concerned, it has to make use of the Christian traditions and the Christian values. But without doubt it has to be a modern constitution for a state which is entering the 21st Century, it has to be in harmony with international conventions, a constitution which provides a whole range of rights and liberties, but also is precise, for instance, in defining the duties of the top bodies of the state.

I believe we can have such a constitution, we are on the right road toward such a constitution. And I think we have to seek a broad consensus for the constitution. It cannot be a constitution of the Left or the Right. It has to be a constitution of the Poles. And I think we can afford to have such a constitution of the Poles in 1996.

And as to you question about the president's powers, here is what I have to say: I believe they should be kept more or less around the present level; I am an opponent of increasing the presidential powers.

As far as role models are concerned, well, I think there are many people whom we can regard as prominent politicians and Europeans. If I were to name presidents, well, obviously there are figures in Europe who have played a great role, say, de Gaulle, although I do not think the form of his presidency could be applied in Poland. But this is more of a journalistic debate, rather than one that would make sense today in view of the 19 November elections.

[Walendziak] Here you will probably both agree, gentlemen, as far as the role model goes, I refer to de Gaulle.

Now questions from the correspondents recommended by....

[Kwasniewski, interrupting] Well, if I may, just so that we do not leave de Gaulle on his own, I could add Francois Mitterrand who was left-wing and a socialist. Perhaps this will make it easier for my opponent to answer.

[Nowakowski] If I may add to this, because you, Mr. Chairman, have excellently outlined liberty and democracy, but anyone could say that....

[Kwasniewski, interrupting] That is a very good thing. The whole point is that everyone should speak. The constitution is everyone's creation.

[Nowakowski] But let's be specific. Where are the models? Should the Polish constitution be closer to the German Constitution or, I don't know, the French Constitution? Should it be closer to the vision of Poland from 1921 or from 1935? There are various models.

[Kwasniewski] Of course if we are referring to the Polish constitutionalism, it should certainly be closer to the 1921 constitution, rather than the 1935 constitution which significantly reduced the extent of liberties and democracy.

But gentlemen, we are talking about the 1995 constitution, and there is no template, no model which can be applied, say the American, French, or German Constitutions. We are creating a Polish constitution, using our own experience, being aware of our neighbors' experience, making use of that which is available. Let us do so, and we are capable of writing a really good constitution.

[Walendziak] Ladies and gentlemen, that is the gong which measures out the time. If two minutes have passed, then this gong sounds so that we do not lose the sense of time. Now, questions will be set by the journalists recommended by Aleksander Kwasniewski. Questions to Aleksander Walesa [as heard]: Mr. Slawomir Zielinski. To Lech Walesa, sorry.

[Slawomir Zielinski] Last Sunday, 6,275,670 people voted for your rival. I purposely do not use this statistic in percentage terms, so as to make conscious the fact that behind every result in this first round, and yours also, there stand particular, living people with their families.

On Tuesday, 7 November you were at two preelectoral meetings, in Szczecin in the morning and in Poznan in the afternoon. I watched reports from these meetings in the "Wiadomosci" program in the evening, and alongside much and varied information there was your statement, where you said: Well, I could have struggled with Kuron, I could have struggled with Olszewski, but what have you done to me, that after five years I have to again struggle with the commies? And I have this question which many Poles are surely asking in their homes. How do you intend to struggle with this enormous body, over 6,000,000, of your countrymen?

[Walesa] Sir, at my, one day, at my meetings there were more people taking part than at Mr. Kwasniewski's throughout the whole electoral campaign. Lets perhaps start from that. And as regards those people whom you have enumerated, I have been wondering how it actually is in practice. And today I know in what way Mr. Kwasniewski gained these people. First, these are people from the old *nomenklatura*, called "the web" by "Zycie Warszawy." That is the first category of people. The second category of people is those who worked in enterprises which were constructed by the absurdity directed by the predecessors of Mr. Kwasniewski and, thus, the communists. These state farms, which were bad, those enterprises which had to be, to be dissolved. And thus, these are people who, who, who, who now have things much worse but this is the fault of Mr. Kwasniewski and communist company. On the other hand, we want to resolve these problems, and we had to, as Solidarity governments, cope with this. This is this second category of people who, who are paying for communism, represented by Mr. Kwasniewski. And the third category is these youths which Mr. Kwasniewski praises. Now, Mr. Kwasniewski reads these young people the TRYBUNA LUDU newspaper from before 1980. And the paper says that it will arrange housing, that it will give work. I heard all of these absurdities and I ask: This is what? A return to state farms? That means, that means, he will open these enterprises anew? Well, if that is what he is proposing, this is an absurdity. It is easy to fool young people who do not remember those times, who can be told that housing will be built. These are absurdities by which some people are fooled. And, as can be seen, they have been fooled. I think that, precisely, this, this discussion, and when it will be solely a discussion about internal affairs, then it will allow for the proving of, of precisely something like that, that in fact the communists are not reformable. The communists, or the practitioners who worked in work enterprises, they are reformable, and those who have been communists for their whole lives, that were activists from youth level up to old age, then they are irreformable and will always tell these tales and sometimes some people will be fooled by them.

[Zielinski] But does that mean, well, that we have second-class people in our country?

[Walesa] No, no, this is playing on these two things, unemployment, which is attributed to Solidarity, but it was the Commies who created it through stupid economic solutions and we are paying the bills for them by reforming the country, that is one thing, and the other is promising young people that they are going to get jobs, that they are going to get homes. You have to give specific proposals—they can even be wrong—and not just words about sorting it out. Those were the words that you, that there were precisely in these, in these election campaigns of my opponent.

[Walendziak] Andrzej Kwiatkowski.

[Kwiatkowski] Although Mr. Zielinski has failed to find out how you are going to fight, I will have a go, perhaps I will have more luck. Halfway through...

[Walesa, interrupting] I am telling you, I am going to fight by giving examples of solutions and not fairy tales, not stories.

[Kwasniewski] Just like you have been doing for five years.

[Kwiatkowski] Right, I see...

[Walesa, interrupting] Not five years, because during the five years half the time you, the communists, ruled in Poland and it was not even half of the five years that Solidarity [word indistinct].

[Kwasniewski] And for two years now we have had economic growth.

[Walesa] Generated by Solidarity.

[Kwasniewski] Generated by the people, including the 6 million who voted...

[Walesa, interrupting] So now you are going to restart the PGR's [state farms], and you are going to have something to do again.

[Kwasniewski] No, you are talking...

[Walesa, interrupting] Because that is how you want to create jobs.

[Walendziak] Gentlemen...

[Kwasniewski, interrupting] No, I want to create jobs wherever they will be productive and profitable, whereas you are attributing to me...

[Walesa, interrupting] How?

[Kwasniewski] Through economic development that is...

[Walendziak, interrupting] Gentlemen, we have agreed we will talk about the economy on Wednesday [15 November]...

[Walesa, interrupting] Webs...

[Walendziak, interrupting] [words indistinct] to keep to this arrangement..

[Kwasniewski, interrupting] I am afraid it seems that now it is you who is surrounded by webs.

[Walendziak, continuing] ...and I would ask Mr. Andrzej Kwiatkowski to finish his question.

[Kwiatkowski] May I?

[Walesa] Go ahead.

[Kwiatkowski] Halfway through your term of office you said: If I tried for the presidency, I will gain an overwhelming victory. It will be enough for me to show what I have achieved.

During your term in office we had three parliaments, six prime ministers, and personnel games for the control of the banks, the military, the special services, and the media. A record was set in vetoes against legislation. You used your veto on 22 occasions.

I am not asking why that was so. What I would like to hear is, if this is you method of exercising power, how do you intend to stabilize the country?

[Walesa] I would like to remind you that I agreed to be the captain of the ship called Poland, and lead us from independence to normality. In this navigation through these storms various things happen. Three parliaments happened and six governments. That is right. We have to see whether it could have happened any other way.

If the first parliament that I found was a parliament created still under the communist coercion, that is 65 percent for the communists and they were gracious enough to give us 35 percent, I had to break it up. Because of that we had to strive for the existence of a parliament of freedom. In connection with that, this should be recorded as a positive achievement, not a negative one.

I was in a forced situation and I was forced to solve various problems. Today, we are forced into a different behavior. Today, we are forced to oppose the commies who are raising their head, and that is why my actions will be completely different, they will be effective, and will stop these people who had a chance to square their accounts, who had a chance to become involved in the construction of the Third Republic, but did not make use of it. That is why they are leading toward a settling of accounts and they are going to get it. It is just a question of a time when this is going to happen. That is why my actions will be effective and they will look different.

[Walendziak] Thank you very much. So far everything is going according to plan. The only surprising statement so far has been that you gentlemen like de Gaulle. We have not predicted it....

[Walesa, interrupting] I have heard that you liked Brezhnev.

[Walendziak] No, we all heard the name of de Gaulle.

[Kwasniewski] I suggest you speak for yourself. It would be easier....

[Walesa, interrupting] And I am waiting for you to apologize for your boorish behavior!

[Walendziak] Gentlemen, it is a special prerogative of the president to oversee Poland's foreign policy. Both of you gentlemen stress that Poland should be led in the direction of the West, toward the military, economic, and political structures of the West. How should this be done in order to avoid, while we are at it, political confrontations with Russia? It is a well-known fact that this political confrontation would effectively make this march toward the West difficult. Do you, gentlemen, have an idea, the strength, and enough international standing to resolve this diabolical dilemma? Mr. Aleksander Kwasniewski, please.

[Kwasniewski] Yes, this will probably be the most important issue of the president's foreign policy in the coming five year period. I think that our policy should be firm and patient.

Firm, meaning that we have set objectives, which are strategic objectives and for which there is a broad political and social consensus. They are: the joining of the EU and NATO, effective security guarantees for Poland. I think that there are no reasons whatsoever to have to verify these strategic objectives, irrespective of the fact who becomes president, or what the government setup is in Poland.

However, this policy should be patient because we are in a very difficult situation in regard to our partners in the east. They are facing another round of elections. There is a lot of political and economic chaos there. Statements coming from there often are very inappropriate and undiplomatic. I think that our patience should be based on active political and economic relations, on explaining Polish intentions, which are not intentions directed against Russia.

Poland will be a very important element of European stability, provided we are present both in NATO and the EU, and on the other hand, that we have good relations with our partners both in the east—with Ukraine, Belarus, and Russia—and as part of regional cooperation within the Visegrad Group—but not only—with our neighbors, in the south. I think that this policy requires patience and a lot more active attitude than has been the case in the past few years, when we had many declarations but, I think, too few practical steps.

[Walendziak] Mr. Lech Walesa, please.

[Walesa] Ladies and gentlemen, I am in a good position because I have already made a statement that Russia should not prevent us from joining NATO. I have it in writing and can show it to the entire world. So, I have already sorted out my relations with Russia. I think that the West has not picked up on this decision of mine, this point I have resolved. This is a tragedy for the West. I shall try once more to do this.

However, I am afraid of something else. If there is another accident of a win by Mr. Kwasniewski in the presidential elections, then, I am afraid that the internal opponents and Poland's external opponents will have an argument: Let us wait until this young communist does something. Let us wait because one ought to think about it. We would then probably have very little chance to join the European structures because we would give them arguments: Those people who behave like chameleons are unreliable. Can one do business with such unreliable people? No. We would give them many arguments not to accept Poland. For this reason, I am afraid, we should not give such arguments to the opponents of our entering Europe.

When it comes to the West, I have conducted many negotiations. Whether somebody is in favor or has intentions is not enough. You should look at these five years: How many issues have I managed to resolve with the West?

Let us take the loans, which I have managed to sort out. It was myself who did it, not Kwasniewski. One can only laugh about it. Or the loans that this government has not even managed to spend up until now, or the matter of the Korean Daewoo, and so on. Everyone has forgotten that it was done at my request. All the negotiations were effectively conducted by me and are a proof that I am also capable of conducting other negotiations.

[Walendziak] A question from the correspondent recommended by Lech Walesa, please.

[Nowak-Jezioranski] Mr. Chairman, the American Polonia, which is very committed to its mother country, two days ago adopted an unprecedented resolution against your candidature and in support of Lech Walesa, directed by the deep conviction that your victory will effectively erase the effectiveness of the pressure of 10 million Polish voters in America for Poland's acceptance into NATO and that it will erase the marvelous position that Poland has achieved as the first country to free itself from one party rule, which you then represented, and to free itself from Soviet domination. This victory is associated with the name of Lech Walesa across the whole world and for every child. Are you, and I do not direct this to you personally, but even with the best will in the world, are you, and those who vote for you, fully aware of the fact of the appalling consequences your victory will have on Polish international interests? And also on the domestic calm in this country?

[Kwasniewski] Sir, I think that you are well aware, and the electors are well aware, that we have heard such scarecrows many times before. There was talk of the Polish state imperative, which did not allow for liberation from the Warsaw Pact, for instance. Today, I hear that a democratic choice in Poland might be badly received somewhere or another. I think that you unjustly accuse or suspect that the Western democracies will not respect the democratic verdict in Poland. They will respect this verdict, since it is their deep convictions. Second, I value the American Polonia. I have had the opportunity to meet many people. I understand that this is their standpoint. However, the elections are taking place in Poland. This choice will, such as it is, I am sure, be respected by the Polonia throughout the world, since this is the will of Poles, of the majority of Poles. Third, I think that there are today no doubts as to my pro-European orientation and the people with whom I collaborate. The pro-NATO orientation as well. I have also had many opportunities to speak with people from the West. Even if they had doubts, for them a situation in which this suspect grouping—let us call it thus—is for NATO, for the entry of Poland into the EU, this increases the credibility. [sentence as heard] Because it transpires that there is not this great structure in opposition. And how can the president act if he were to have an opponent with very many millions of votes who is against entry into NATO? Now, that would be a harder task. If we say that we are in favor of entry into NATO, then this makes the Polish stance credible. This then means that in Poland there indeed are not any serious opponents of entry into NATO. This means that we can convince the 6 million people who voted for me that this is needed, that this is necessary, and they accept this, for I have spoken of this at all the meetings. That is why, in my view, this is totally a falsely asked question. Let us seek the widest consensus in Poland. Let us not argue about security guarantees for Poland. Let us not play this off politically. Let us not include the Polonia or anyone else, since our Polish stance, and you understand this very well as a man who has experienced this for so many years, will be all the stronger insofar as we will be together on this matter. That we will not indicate with our fingers who is the weak link here, or who is against. Together, in concert.

[Nowak-Jezioranski] The NATO governments will respect the results of the elections, and will draw consequences from this which will be very negative.

[Kwasniewski] I am convinced, and I can lay bets, that within five years Poland may be a member of NATO with a President Kwasniewski.

[Nowakowski] Mr. Chairman, I have a question associated with this, for we are circling around NATO. For, I would wish to ask when, and for what reasons, you and your milieu changed your view on the issue of NATO. For even after the won parliamentary elections you said in an interview that the issue of the entry of Poland into NATO remains an open issue.

[Kwasniewski] Sir, I think that an evolution of views in this respect has taken place, and that it is permitted. It is in fact, in my view, unnecessarily, the discussion in Poland is unnecessarily limited. Across the whole world, such matters are discussed seriously, in public, because this is a very important strategic issue. Now, I will recall that there were two concepts, which, it is possible to say today, are now remote. The first expresses, was expressed, among others, by Minister Skubiszewski, with whom the president cooperated, and was for instance a concept of whether it would not be possible to construct a new system of European security upon the basis of the Conference on Security and Cooperation in Europe [CSCE], today the Organization for Security and Cooperation in Europe [OSCE]. Today, we already know that this is too great a juggernaut, too bureaucratized, no one can afford it, to build a new system of security in Europe from the start, from zero.

The opposition of the 1970's talked of the Finlandization of Poland, and thus in effect of the neutrality of Poland. Today, we know that the status of neutrality for Poland would be a weakening of our defense opportunities and security guarantees. And thus, this too must be set aside onto the shelf. So, what thus remains? There remain effective guarantees associated with the North Atlantic Pact. This is a pragmatic stance, this is a stance which in my view ought to be based upon a wide political concensus. And this is a stance which, if we will support it together, might bring Poland precisely such effective security guarantees in the coming few years—and let it only be so. That is why I would not here call forth, gentlemen, scarecrows and stereotypes, or else seek to convince public opinion that there is in Poland a difference of views between the most serious candidates on the subject of NATO. Since there is not such a difference. It is based, today, the question of NATO and our strategy, is based upon a wide-ranging concensus. And this is our plus, this is our strong card.

[Nowakowski] This is our strong card, but [words indistinct] again, you replied in the round....

[Kwasniewski, interrupting] No, not in the round....

[Nowakowski] I asked when [words indistinct]

[Kwasniewski] I will tell you when. In the last few years, taking into particular account the Yugoslav case, and with the final demonstration, in my view, that the OSCE, despite the best desires and intentions, is not capable of creating a new architecture of European security.

[Walendziak] I would very much request ...

[Kwasniewski] On the other hand, the question about the new architecture of security is constantly present for we have after all the problem of Russia, the problem of the placement of Ukraine and Belarus in this architecture. These are matters which we will still be discussing, I have no doubts, for they will not be resolved together with our presidential elections.

[Walendziak] I would be very grateful if the invited journalists could stick to the agreed principles. These are strict and we should not violate them. Go ahead, please.

The journalists invited by Aleksander Kwasniewski will put questions to Lech Walesa.

[Kwiatkowski] I shall for a moment depart from the subject. Chairman Walendziak referred a moment ago, and rightly so, to the importance of international standing, to how the success of foreign policy also depends on how the candidates are seen abroad.

Two days after the first round of the elections, the London GUARDIAN wrote on 7 November: Lech Walesa has been his own worst enemy as president. He relied on courtiers and spurned Parliament to the point of threatening, only half in jest, to bring the army into the streets. His campaign is nothing more than a call for loyalty and playing the so-called red card. If reelected, he would be a disaster.

Why do you think one of the most influential Western dailies writes this about you?

[Walesa] That is because it was a correspondent who wrote the text at the suggestion of Urban [reference to Jerzy Urban, former government spokesman and NIE weekly editor]. These things happen.

[Walendziak] Thank you for your answer. Mr. Slawomir Zielinski.

[Zielinski] Although we have already talked about Russia's special role in our international policy, I would like to return to this issue, because over the last five years, during your presidency, relations between Poland and Russia appear to have weakened significantly, while you appear to have done little to stimulate them.

Meanwhile, the worse our relations with Russia, the more difficult, it seems, will be our entry into NATO. Is there anything you can blame yourself for in respect of this issue, and what do you intend to do to overcome Russia's resistance—because it follows from statements by Russian generals, or politicians, or even at times President Yeltsin, that they do not have a copy of what you have in writing?

[Walesa] Of course, I can provide a copy for you. But I think you have not yet quite understood my answer there. If you are referring to support from the West, I would do this a different way. I would check who voted for me, as far as the Poles abroad are concerned, because there are Poles abroad in every country. As you know, I lost only in Russia, in Slovakia, and in Israel.

[Kwasniewski] And in Hungary.

[Walesa] And everywhere else—that's right—and everywhere else, I won. So, you know, this should convince you that the proposition is staggering. And now, as far as relations with Russia go, could they be better? Of course they could. But, you see, I am doing business, I am doing business which needs to be done by the president. And I have done everything. I have even overtaken Europe by several years, because if Europe had responded to me, we would have been in the union and in NATO.

So as president, I have no more opportunities here. The government, of course, has them. Well, perhaps I could go hunting with President Yeltsin or give parties, but that would only mean possibly doing something through better social contacts.

My role is over. I negotiated the pact. I led out the Soviet... [changes thought] Russian troops. I did everything. Like I said, I have even overtaken Europe through the fact we are discussing; and that is, although I can do no more here. Well, perhaps, perhaps, like I said, we could do more through social contacts. If there were some problems for the president, of course, like I have always manifested effectiveness, here too I am ready effectively.

[Zielinski] But the level of relations with Russia is going to reflect on whether Poland joins NATO later rather than earlier.

[Walesa] Yes, but I can say the same thing to you: Why don't you have good relations with Russia? Because you have achieved what you wanted and you have no such need. Neither have I. Relations with Russia today we need to have at the government level, the human level, at the level of economists and salesmen. We cannot do any more here because everything that was supposed to be done by the presidents has already been done. As I have said, we are in fact ahead of time.

[Walendziak] Gentlemen, we have smoothly moved onto a new subject: the foreign security of the state. Having listened to you carefully, I must ask the following question: It is a well-known fact that Poland's external situation may change from day to day. We all remember Yanayev's coup and the storming of the White House in Moscow which followed it not much later. The interesting thing is that you, gentlemen, made completely different statements at that time than you are making now. We have already quoted this.

Aleksander Kwasniewski claimed at that time that NATO was a relic of the division of the world. And Lech Walesa was appealing for the establishment of NATO-bis. Is this because the situation has changed so much since that time, which in fact is not so distant? Or is this because you, gentlemen, have simply changed your views? Is NATO rally a cast-iron guarantee of security in this unstable part of Europe where we live?

[Kwasniewski] In a way I have already answered this question. Every politician must react to changing circumstances. It is a bad politician who thinks that his ideas are so good that he does not have to take into account that the world around him is changing and even that the voters think differently about his activities. In my opinion, one has to say clearly: NATO was set up in response to the Soviet Union, to the aggressiveness of that bloc. NATO, together with the Warsaw Pact, constituted the elements of the balance of fear which prevailed in Europe for decades. In this sense, NATO as a construction aimed against the Soviet Union and the Warsaw Pact has really ceased to perform its functions, as today there is no Soviet Union and there is no Warsaw Pact. This is obvious.

However, what has happened? It has turned out that today, when we are searching for a different solution, we should say that the North Atlantic Treaty, first, already exists; second, has experience; third, has appropriate mechanisms, command structures, equipment, trained staff, and apart from that, it is a pact that has not been a cause of any aggression in Europe for many decades. It has not been the cause of any infringement of democratic principles. It has become part of this new Europe in which we are together. Of course, it is very fortunate that today we can talk about Poland in a democratic and free Europe—everyone should be given his due for what they have done.

However, I have no doubt that the construction of the new European architecture should follow and that this should be based on NATO. I have even put forward the argument that the expansion of NATO, to include Poland, Hungary, and the Czech Republic, will also reform the pact itself, as this will reveal completely new objectives and new needs. This is an element in the process of NATO adapting to the new conditions.

And my last remark. Well, ladies and gentlemen, we have to be aware that all our statements about expanding NATO and the EU can be contained within a certain general philosophy. This philosophy means the unification of Europe. Poland cannot accept that the unification of Germany may have been the last stage of European unification. The unification of Europe means subsequent stages: the expansion of NATO, the expansion of the EU, and the creation of a Europe which would be really guided by cooperation and not by conflicts.

[Walendziak] Mr. President.

[Walesa] Ladies and gentlemen, well, am I not correct that this is the TRYBUNA LUDU daily, when, when we listen to verses such as these? Ladies and gentlemen, I—I have not changed my views. I, when I talked of NATO-bis a very long time ago, I immediately specified what we are concerned about. We are concerned with NATO, and I assumed that the opponents, the opponents of NATO on the one hand and the other, will require from us, as it were, an intermediate stage of passage into this organization, and for it to be a comprehensible direction. I thus called it NATO and I called the transition period [NATO]-bis. And that is why the American, even, this proposal of Partnership for Peace, is nothing other than my version, only less clearly called, because it is an accord.

And now again, as regards this strategy which I hear about here; well, had I heard it in 1970, then I would have said that, indeed, this is correct thinking. On the other hand, when I hear it now, in 1991, 1995, then I fail to understand something here. Are we preparing in Europe for some kind of war—but in fact with whom? So why do we want to join NATO? I told you that my point is to enter so as to, for Poland, to enter so that a tried and tested pact be widened, to reduce the possibility of the creation of something else. And through enlargement, enlargement, countries which are prepared for enlargement, to abolish the possibility of the creation of anything at all. And so, this is [word indistinct] the enlargement of strength so that peace reigns in all of Europe, and not in a confrontational arrangement. My (?opposite number) is talking of some sort of confrontation, and so he is preparing NATO for a war with whom? With Lithuania, most probably, for America has good relations with Russia, and NATO has as well, so in fact we will arm and enter NATO because we will declare war on Lithuania. An absurdity. There is no other way at this moment...

[Kwasniewski] [words indistinct]

[Walesa] But, well, if something like that is said, then that is how it looks.

[Kwasniewski] That is what you have understood of it.

[Walesa] Hang on, hang on, sir. You are, you pretend to be an intellectual, and you pretend, and your behavior [sound of bell] is only on paper, sir.

[Walendziak] Thank you very much. Questions to Aleksander Kwasniewski.

[Nowak-Jezioranski] In August of this year, five deputies from your party, including one member of the government, refused to vote for a resolution for the commemoration of the victory over the Bolsheviks in 1920. You did not take any sanctions in relation to these people, no sanctions. You passed this over in silence. A question arises—I am not talking of what was then, only in what way will these people behave, who today identify with that former enemy, and in what way will you behave and your party, if, God forbid, the year 1920 were to be repeated in the future? And in association with this, why am I raising this as a matter of security? For it is on the basis of this example that we can see your entire dependency upon the party hardliners, which is visible not in what you say, but in how you vote, how you behave, and in the collaborators whom you select for yourself.

[Kwasniewski] I shall briefly start with the Lithuanian issue. I want to say clearly that not for a moment have I thought or think now that our joining NATO should mean confrontation with anyone. I have said many times that this should be an element of stability and not confrontation. If anyone understands me differently, he either does it out of bad will, or simply does not want to understand it.

Second, I think that with Lithuania, and with the Lithuanian prime minister and president, I have not worse, but probably better relations than my opponent. I believe that Polish-Lithuanian relations will develop very well because we also have very good personal contacts.

As to the other remark concerning the vote—there is no party discipline when it comes to a vote of that kind. If party discipline had been in force, certainly there would have been sanctions. But please note, talking about diehards and being dependent on diehards—I do not know what the motivation was. Most probably the issue was in some statements which perhaps those deputies considered inappropriate. However, there are no doubts whatsoever when it comes to our team's assessment of the Polish-Bolshevik war of 1920. Today this is not a subject of a debate to be conducted by our deputies because we have very important issues to resolve for the future. If you say that five deputies voted differently and that this means that I am dependent on diehards, we are talking about matters...

[Jezioranski, interrupting] About this matter?

[Kwasniewski] You should not draw such conclusions on the basis of this. I voted, and an overwhelming majority of the 177-strong parliamentary floor group, 165 people, voted in favor of the resolution. Let us not use it as an argument. However, in reply to your question: If such a situation does occur—I hope this will not happen because they will now suspect me of preparing Poland for some confrontation—Poland has a chance to arrange its relations with all the neighbors, including also Russia, very well. However, if it turns out that one can stand up together to a danger, I am convinced that nobody, irrespective of whether they come from the Left, the right, the center, or anywhere—will refuse their effort and their blood, their sacrifice for the homeland. I can assure you here that the people of the left will act in this way if such a disaster occurs. However, it is a task for politicians to prevent such dangers.

[Walendziak] Jerzy Marek Nowakowski.

[Nowakowski] You speak about building a united Europe, you speak about a nonconfrontational development of the situation. Meanwhile, commentaries are fairly unambiguous: The election of Aleksander Kwasniewski could summon the spirit of confrontation.

[Kwasniewski] Where?

[Nowakowski] And so—in Poland—and so, I have the following question: Where and how do you propose to build support of national patriotism, which is the main guarantee of security. A greater one than NATO, a greater one than entering Europe, a greater one than better or worse relations with Lithuania or someone else. What steps do you intend to take to build this national consensus and national accord?

[Kwasniewski] Through policies which I shall pursue and the style of the presidency. It will not be a presidency of dividing the Poles which is what my opponent has been doing at the very least since the beginning of this debate—regarding the 6 million who voted for Kwasniewski as some sort of web, *nomenklatura* and stupefied youths. That is not true. These are 6 million honest Poles who feel closer to me than to my opponent.

And I believe that Poland as a modern country is not one where everything is divided and pigeonholed into believers and nonbelievers, commies and anticommies, Solidarity and anti-Solidarity. That is simply a mistake. Regretfully this mistake has been present in Polish politics for the last five years, with Lech Walesa's participation. I emphasize—regretfully, because for issues such as political strategy and security we have to seek a broad consensus in Poland. And I shall seek such consensus.

And the second observation. If you say that my victory would act in a confrontational way, why can I not hear anywhere that my defeat would act in a confrontational way, that Kwasniewski, should he lose, could bring people out into the streets, could cause some disturbances? Because everyone is convinced that I do not use such methods, that I am an honest democrat who is going to respect the outcome of a democratic election. And that is the truth. I treat this as a complement. That's right, I shall respect the outcome of a democratic election. And I expect that my opponent is going to say the same in a moment, that he will respect the outcome of a democratic election, that the will of the people will be respected, because they are going to decide who is going to win this election. Not you, gentlemen, not we, but the very millions that are going to go and vote.

And that is why, I think, we should not be talking about confrontation, but about the second period of presidency in Poland which is to be construction of a common Poland. That is what I propose, not divisions, not historical divides, but a common Poland, because that is the whole sense of political work.

[Nowakowski] Excuse me, does that mean that the problem of appointing or putting forward as ambassadors people who were uniformed television announcers under martial law is a step forward taken by your parliamentary party colleagues?

[Kwasniewski] I think that many people were entitled to evolve their views, and if you were to look today at various political groups, you would find there former [party] secretaries who today are mayors of Warsaw, and you do not reproach them for that. [bell] People are entitled to evolve and I grant them this right. Certainly no one who is dishonest, who does not believe in the new democratic Poland should hold such public offices.

[Walendziak] A question to Lech Walesa. Mr. Zielinski, go ahead, please.

[Zielinski] How do you see the constitutional solution of civilian control over the army. In the NATO countries, the chief of staff, that is, their General Wilecki, comes directly under the civilian minister of defense. You would like to put the chief directly under the president. You were the organizer of the politically indigestible dinner at Drawsko [when Walesa asked a number of generals to express a lack of confidence in the defense minister]. Do you think that was right? After all, it makes our entry into NATO more difficult.

[Walesa] I think that we in Poland do not understand sufficiently well what civilian control of the army means. Above all, you know, there is control when the financing is democratic. And as you know, the financing is done by parliament. That is the first control, the most important one, financial. Then there is the civilian minister. Then there is parliamentary control in other sectors.

You know, if we were—today we are in a transitory period. Now imagine that the postcommies have the power and completely control all these centers.

[Zielinski] But the minister of defense in Poland is a presidential department.

[Walesa] You know, the problem with the postcommies is that they want such blurring and inefficiency in government that they can all stay well afloat in all this. And, you know, as president I only have the ability, a share in the appointment of the whole government, as well as in the appointment of these three ministers. But I have no share or ability in dismissing. So how do you see this? What kind of effectiveness can I have when I cannot dismiss anyone?

[Zielinski] So you are in favor of the chief of staff coming under the president?

[Walesa] No, I am in favor of being like everywhere in Europe. Just like in Europe, it is through the minister, so it is in our country. But we are in a transitory period, in a period of struggle. Moreover, we have backed an evolutionary transfer from a system of subjugation to democracy.

[Zielinski] So where should the chief of staff be in this evolutionary period?

[Walesa] I would like to tell you that I have saved Poland from a settling of accounts and the commies' liability for the crimes and everything that has been wrong in Poland. I have been saving until now. I don't know. If the commies, the postcommies carry on in this direction, I will not save Poland because there has to be a settling of accounts. If they have not drawn conclusions from all this and they continue to tell such twaddle and they haven't squared their accounts, let them not think that the people will not bring it about, they have to bring it about. And that was why I insisted, because for five years I gave time to that system, with Kwasniewski at its head, to square its accounts. [bell]

They did not make use of that. So there will be a settling of accounts from another direction, because there is simply no other possibility. And that is the helmsman navigating the ship so that nothing can go wrong, and that is why he uses every possibility.

[Zielinski] Excuse me, so you are in favor of what? Defense Minister Okonski cannot...

[Walendziak, interrupting] Excuse me, excuse me, after two minutes...

[Walesa, interrupting] He can...

[Walendziak, interrupting] Mr. Andrzej Kwiatkowski asks the questions.

[Walesa] He can, but we have to finish working it all out. But don't think that I have influence over Minister Okonski. I have influence over the appointment, but similarly with other ministers. But I cannot dismiss Okonski, just like anyone else.

[Walendziak] Andrzej Kwiatkowski.

[Kwiatkowski] I would like to come back for a moment to respecting the voters will, and the subject of democratic elections. On Friday, your elections committee issued a declaration from which it follows that if the elections were won by Mr. Kwasniewski, Poland's independence would be threatened. Could you tell us how it is possible that your committee says absurdities of this kind, which insult millions of Poles taking part in democratic elections, while yesterday you, during the ceremonies at the Tomb of the Unknown Soldier, said exactly the following, quote: No one any longer threatens our newly recovered independence, unquote. What is this about? Why this divergence between your staff and yourself?

[Walesa] You know, I was speaking about the fact that we have no enemies, that we have agreements and treaties signed everywhere, with every state, and here we are secured. That is one.

Second, when we in general look at Europe, at the world, then a war of the military kind, of the old kind is not possible because it is enough to blow up one great chemical works and half of Europe is gone. So that is why we are not going to go in that direction; we are in a transitory period.

But some sort of smaller fighting is possible, as is settling of accounts on a smaller scale. And I suspect that today, everyone, a large proportion of the public, similarly thinks that we have not settled accounts with bandits, murderers, and traitors, and in connection with this there could be public necessity and pressure of this kind—to settle accounts.

[Kwiatkowski] But what has Mr Kwasniewski's possible winning of the elections in common with losing independence? That's what I would like to know.

[Walesa] He is going to symbolise the period of nonsettling of accounts. Because if he has taken over the property and the inheritance, he has taken over the murders and the Soviet tanks which installed the authorities in our country. And the accounts for Katyn have also not been squared. And in connection with this, this should have been done, without coercion. There was an opportunity for it. But it has not been done. So they cannot, the people cannot allow the heroes to be called traitors, and vice-versa. That is why they will have to demand a settling of accounts for that period and that could...

[Kwiatkowski, interrupting] But what has this to do with independence?

[Walesa] You know, internal fighting could disturb the balance of some kind and could tempt others about order and security, because we have already heard this from World War II.

[Kwiatkowski] So that means you are assuming there could be...

[Walesa, interrupting] Not me, you are assuming. You are quoting things.

[Kwiatkowski] I am merely asking.

[Walesa] You are quoting things contained in statements and you are interpreting them in a far-reaching way. I am merely pointing you toward an interpretation which could be considered here and there. No war has been declared, no one is fighting, and for as long as I am president, it will not happen.

[Kwiatkowski] You have very much set my mind at rest, because I should say that I am interpreting what the appeal says: Poland again faces a time of trial. Our country is at a crossroads. We know where the election of Lech Walesa's opponent could lead. Voting for Lech Walesa, we vote for an independent republic. The conclusions from this follow naturally.

[Walesa] You know, I have led the country for five years in the most difficult circumstances. And there was calm and peace, and I did not even bother the people when there were dangers. And that is how I intend to lead it. But I failed to notice that the communist hydra is growing back, that it is making webs, that it has gotten into the whole of my economy [bell] and this has to lead to dissatisfaction. And now I am not going to save them, and they are going in a very dangerous direction, and here, well, we can consider and worry about this. And I am a bit worried.

[Walendziak] Gentlemen, tonight's last subject is the internal security of the citizens and the state.

According to you, could the president strengthen the position and effectiveness of the law-enforcement bodies? As it happens, in Poland the president can do quiet a lot in this field, as he in effect oversees the MSW [Internal Affairs Ministry], that is, the State Protection Office [UOP], the state police, and the Border Guard. I am not saying whether this is good or bad, but that is how it is.

How could we bring about a situation where a crime results in inevitable punishment? How could we bring about a situation where instead of talking about the corruption of public officials we could simply put an end to it? Do you think that under the current system of law in Poland, operations such as Clean Hands can have real results? How should things be changed so that these operations are effective? Mr. Aleksander Kwasniewski.

[Kwasniewski] Indeed, this is a very important task for the president. There have been many statements about these issues and very few actions. Of course, I understand that some of the phenomena connected with new forms of crime—organized crime, gangs—are completely new experiences, and not many people had answers to how to proceed here. But I believe that during the next five years, there has to be a significant change. First, in the law. The law has to be amended, more modern, and better adapted to the completely new phenomena, including in the economy, and also to the new crimes. Some of these changes are already taking place. Parliament has adopted them. There are new codifications relating to the criminal code. But that is not all. A lot more has to be done here, and there could be important presidential initiatives here.

Second, I believe the police has to be strengthened, as far as technology is concerned, as far as manpower is concerned and also as far as the laws available to the police are concerned. Here we have also had some changes thanks to my colleagues and my parliamentary party. We have adopted police acts. On taking office, Prime Minister Oleksy made people's safety one of the priorities. So things are changing, but of course the effects of this will be seen somewhat later.

And third, I think the president, using his prerogatives relating to the Ministry of Internal Affairs and the special services, should concentrate more on countering crime, especially organized crime, including that which comes here from abroad, and spend less time, if I may put it so, on dealing with political opponents or pure politics.

It seems to me that in this respect, if it was possible to put forward legislation, put forward plans of action and cooperate, I emphasize this very strongly, cooperate with the government and parliament, results could be seen soon. But this has to be joint work, including participation by local self-governments, because the issue of safety in the cities and in the countryside is also an important task for the local self-governments. And I personally, were I to win [bell], would like to make this one of the president's most important tasks.

[Walesa] Well, ladies and gentlemen, we have again heard some wishful thinking and fairy tales which altogether do not happen in Poland and I do not think will happen if the Constitution is being written or edited by Mr. Kwasniewski, as it is. What does the president's supervision of these issues amount to? Of course, to the statement that he is responsible for internal and foreign security. And what kind of responsibility is it if the government has the money and if the government, and not the president, has everyone's dismissals? Not only that, but I only participate in the appointment of the minister of internal affairs. And the UOP is appointed by the minister himself, I mean, by the prime minister according to the minister's submission. I won't even mention deputy ministers and others who are appointed by the prime minister.

So our whole system is edited so that there is topsy-turvy and a mess, so that no one knows who is responsible for what. And in this sense, the postcommies are doing their best to carry on with this mess. I have suggested clearer solutions, but so far they have not worked out. They would work out under a presidential system.

I don't know, because again Mr. Kwasniewski is telling tales like a first secretary who can in fact do anything. He will do something here, improve something there. Well, I ask you, under what Constitution? Under the arrangement that I have now? In effect, no supervision, no control, no nothing.

[Kwasniewski] And how many acts have you submitted in this field?

[Walesa] Just a minute, just a minute. Acts are a different thing, we can talk about acts, and I will show you how many.

[Kwasniewski] How many acts have you submitted?

[Walesa] Mister, I didn't interrupt you, and you are cultured. You say you are cultured and educated, but you have neither one nor the other. You just have bits of paper about some, you know, education. So don't talk twaddle because that is not true. In the present arrangement, apart from the symbols and slogans, the president has nothing, and you are trying to make sure he has nothing. But we cannot say what will happen if there is a constitution, because if we have in the constitution a presidential system, then everything will be arranged differently and the president will really be able to do more. If we have a parliamentary-cabinet system, the president will have even less to say.

So you are playing the role of a first secretary [bell] of the party and you are telling all these things as party secretary. There is none of this in Poland and the law does not give you such opportunities. So let's speak about how things are and how they could be, and not like you would.

[Walendziak] Questions to Aleksander Kwasniewski.

[Nowak-Jezioranski] Mr. Chairman, the president is the supreme guardian of the law and the legal order, so he has to be an irreproachable model of law observance.

I return to this issue reluctantly, but the last word in the case of the alleged concealment of property and income of your wife will belong to the court. And if—and I hope the court is going to clear you—but if it were to rule that you violated the law, do you not think that you should as the guardian of the law resign your office in such a case?

[Kwasniewski] I am an honest man, and if anything has been done through oversights or through imprecise information, it did not result from ill will. At the outset of this program—so that things are clear and open to the public—I presented my property statement, which clearly details the sources of income and sources of expenditure, and states unequivocally that all taxes I have had to pay have been paid. I hope my opponent is going to do the same, so that the public can abandon this subject of debate, and I hope there will be no attempts to evade this through some obscure statement, and that a similarly clear account is presented.

Without doubt the president is the guardian of the law, and undoubtedly he should set the best example, although none of us is perfect. The difference between me and my opponent is that I have not maintained that I am infallible, I have not maintained that I am perfect, and I do not maintain that I personify every virtue. I am a man similar to millions of Poles who also has his weaknesses. In this respect my opponents self-esteem is undoubtedly much higher.

But I would like to say that in Poland the president will be able to stand guard over the law if we have a new constitution, and this has to be done quickly.

Second, I think he should put forward acts which will bring order into Polish law, and here I would like to be a much more active president than the current one.

And we have to create a mechanism under which we all truly share in this law, that is, we have to work on the legal awareness of the whole of society which, by the way, is making tremendous progress. When I look today at the way people behave, I see that often the law gets through to them on the ground, in the parishes, in the towns, much better than it does to the politicians at the top. That is a positive thing because it could form the basis of making Poland into a truly democratic state of law.

[Nowak-Jezioranski] But you have not answered my question.

[Kwasniewski] I have answered you. I am an honest man, and I am convinced that every outcome in this respect will be in my favor. Today I have no reason to speak about a theoretical situation when I am accused of something, or when something results from my ill will. No. I am not a man who is guilty of anything.

[Walendziak] Jerzy Marek Nowakowski.

[Nowak-Jezioranski] And if the judgement is against you?

[Kwasniewski] I have faith in the independence of the courts. I think that in Poland you can have greater faith in the courts than in journalists.

[Walendziak] Jerzy Marek Nowakowski.

[Nowakowski] I hope you can have greater faith in the courts than in journalists, but Mr. Chairman, a question about a phenomenon which is difficult to define, but which has intensified in the last few years. I ask it with apprehension because here again there is a chance that you will say something in a roundabout and incomprehensible way.

It is the phenomenon of blurring the ownership structures in the economy, blurring the line of contact between the economy and politics. As president, would you be able to act, and how would you act to ensure that the world of politics—because it is said that the rot starts at the top—is separated from the world of economics so that the recent frighteningly great phenomena of corruption do not intensify; and do phenomena such as the [parliamentary] deputies' immunity, which is so extensive and so much questioned, certainly promote that?

[Kwasniewski] I am trying to be as specific as I can in my answers; if you do not wish to acknowledge this, I will now be very specific.

The provisions for deputies' immunity are too extensive. The proposal of the parliamentary Democratic Left Alliance is directed toward limiting the immunity to deputies' parliamentary and political activities. I will very much support this view, because I believe there is no reason why immunity should protect a deputy for being a poor or drunk driver, or a person who has some dubious business dealings. That is the first observation.

The second observation. Polish democracy is of course young. I do not believe that anywhere in the world, in the democratic and free-market countries, is it possible to divide the worlds of politics and economics with great precision. After all, these worlds do not have to be against one another. It is in the common interest that politics should promote economic development, and that economic development should comprehend that political stability is important for this.

I think here we could use your partner's advice: Let us make use of the American models. There they have an extensive system of acts concerning the avoidance of conflicts of interests, offices of trustees which take over the property of a politician, a president or a senator when they takes office. They also have very precise interpretations relating to the members of the families of persons holding public offices. In Poland, this is still a virgin land which we should fill with legislation.

I promise that, using also my own experience, bitter experience, when accusations are often made on the basis of existing legal loopholes, I will do everything possible to ensure there are no doubts in this field. The coexistence of the world of economics and politics is understandable, but there should be no conflicts of interests, or suspicions that behind all this there is corruption, there is promotion of someone's interests to the detriment of someone else. I think here we do have to introduce a great many new legislative regulations, and I will try to do so.

[Walendziak] Questions to Lech Walesa. Mr. Slawomir Zielinski to ask.

[Zielinski] You said you would strip the swindlers down to their socks, but during your term in office the greatest scandals came to life—the Art-B scandal, the alcohol scandal, the ruble scandal, the Westa scandal, and recently the coal scandal—whereas between 1991 and 1993, statistically there has been the highest growth in crime. You were not able to control this, although the Ministry of Internal Affairs is a presidential ministry, whereas the prosecution service for many years has in effect been run by the present head of your office, Prosecutor Stanislaw Iwanicki. Were you not able, or did you not want to do it, seeing as you did not put forward any legislation in this respect?

[Walesa] I want to remind you once more that if you do ask a question, you should understand what you are asking. On what basis are you saying it is a presidential ministry? On the basis that I take part—the Constitution says that I have general supervision. And what supervision can there be if I have no money, and I cannot replace anyone if they do not suit the criteria...

[Zielinski, interrupting] But you could put forward an act that we will punish the gangsters...

[Walesa, interrupting] Me? An act? What are you on about, mister?

[Zielinski] A bill.

[Walesa] I do not deal with acts. If things were different, then... [unfinished sentence as heard] Mister, altogether, in general, that is an absurd question. I have no such possibilities, either financial or any enforcement, apart from the slogan provision, which is precisely what the postcommies have contributed—to word it like that so that they can do various unpleasant things.

But I must answer Mr. Kwasniewski. I am not saying I am perfect. I have not said that. I only say that I have achieved a thing or two. And you speak about patriotism, about dedication. You know, with the amount of evil that communism has done to Poland—I will not even mention murders—if I were you, I would never stand in the name of patriotism. Mister, really. So do not refer to patriotism, to dedication, because that is not right; first you have to clean up these crimes. In the name of what did I go to jail for Katyn? It was you that put me there, your people. And you now want to talk about patriotism? That is treason. That is a disgrace. I do not know what we are talking about here.

But now I return to this. Please don't do this to me. I understand supervision when I have an ability to enforce, when I have the money, and when I can, when someone fails to measure up, even the minister of justice, or whatever; dismiss him or encourage him. But I only have, if I sign...

[Zielinski, interrupting] But you could go to the prime minister and say I am withdrawing his candidacy...

[Walendziak, interrupting] Please do not interrupt Mr. Lech Walesa.

[Walesa] There is no such possibility. We have made such laws whereby there is no effectiveness. That is why, during the second presidency, I intend to clean it up, because things cannot be so that it is not clear who in effect leads and controls. There are just slogans everywhere, to block themselves in [as heard], so that it is not clear who is responsible for what.

[Walendziak] Mr. Andrzej Kwiatkowski.

[Kwiatkowski] In the instance which Mr. Zielinski spoke about you were not able to do anything. But in the case which I am going to speak about I think you could have done.

We all complain about the lack of safety, but at the same time we learn that the police and the prosecution service tap the telephones of pregnant women, and use operational techniques such as those used for combating gangs to eavesdrop on women who want to terminate their pregnancy and on doctors who perform abortions. You support the constitutional draft which envisages the right to special protection of conceived life, which in effect means an even more draconian antiabortion act. That is, perhaps an even greater involvement by the police in what we hear it is doing already.

We all know examples of daughters raped by their fathers, and of rapes committed by criminals. Could you tell us whether by supporting this constitutional draft you feel, well, morally justified?

[Walesa] You know, my attitude toward abortion is clear, and obviously I am never going to change it for any presidency. And you have confused things with settling of accounts, with awareness, with interest, with financial issues. Abortion is a major issue. If you take just one aspect you will never get a good answer. So I would like to hear more clearly what in fact you are talking about.

[Kwiatkowski] I am asking why you, by changing...

[Walesa, interrupting] Listen, mister, you talk about telephone tapping. You know, I have no influence on tapping. You know, that is probably...

[Kwiatkowski, interrupting] No, you do not have influence on tapping. But in your constitutional draft the article I refer to reads: A woman's life is inviolable. You withdrew this draft, withdrew your support from this draft, and gave it to the Solidarity draft...

[Walendziak, interrupting] Could we have the question, please.

[Kwiatkowski] I am just getting to it. It is: What fundamental right of a human individual, guaranteed by the Polish Republic, is the right to life? Human life is subject to special protection from conception to natural death.

[Walesa] That is right. And if it was different I would probably not be talking to you because, you know, you would have probably been flushed down with the sewage somewhere...

[Kwiatkowski, interrupting] Thank you very much.

[Walesa, continuing] Because you could have been in difficult conditions and, you know, probably, so you know, let us not look. [sentence as heard] Life is not a human thing alone. It is a complicated thing, and I am not going to change my view on that.

Of course, punishment of people is another thing, living conditions another thing, responsibility yet another, so it is a great complex of issues, but life is life.

[Walendziak] Thank you very much. As agreed, I would now like to ask you, gentlemen, to sum up today's meeting. The first to speak will be Mr. Aleksander Kwasniewski.

[Kwasniewski] Ladies and gentlemen, I was hoping that this debate would be an attempt to define what the person who is elected president would do in this important five-year term in office. This term in office will decide where we will find ourselves with regard to Polish democracy, the Polish economy, and our place in Europe.

Mr. Lech Walesa has once again shown he is a man of the past. The number of his references to commies, postcommunism, the TRYBUNA LUDU indicates that. In fact, he is incapable of living, acting or being in politics without referring to that past period.

I am proposing to you, ladies and gentlemen, that we should move forward—remember the past and bring to justice those who were offenders and criminals—but first and foremost think about what should be done to make Poland more democratic, to give it a new constitution, and to ensure economic development. This will help the people—today, unemployed and poor, pensioners, and the poverty stricken—waiting for higher pensions, and the young people who want to have clear prospects for their future. I think that this is the path we should choose.

More discussion about the past and the settling of accounts certainly is an attempt to put Poland on the wrong track, a track where we would waste a lot of time, where we would additionally divide Polish society according to very historical criteria. These criteria are now playing a less and less important role; they are not as important as they were five or seven years ago.

For this reason I take the liberty to appeal to you once more, ladies and gentlemen. Let us choose the future. Remember that the president is a specific man who should help resolve specific issues. Enough declarations, enough messing about with society by the president with immature ideas, incomprehensible declarations. It is time for pragmatism, it is time for proposing specific decisions, specific laws and measures, which would really take Poland into the Europe of the 21st century.

For this reason I would also like to say: Many times Mr. Lech Walesa, in his statements, has emphasized his achievements. I appreciate his achievements, as I think that he has earned his place in history. However, sometimes my opponent reminds me of a former sports champion who, after the years, still recalls that some time ago he won a gold medal. However, time goes by. The gold medal is important, and we remember about it, but today Poland is facing new challenges. Facing the new challenges I propose to you, ladies and gentlemen, that you choose the future, so that we can act together as a community. I propose that we look for what unites us and not what divides us. I think that another five years with Lech Walesa would be five years too many.

Thank you, ladies and gentlemen.

[Walendziak] President Lech Walesa.

[Walesa] Ladies and gentlemen, it is possible to build a house on sand, and it is possible on rock. If there are no values, then this construction really will mean nothing. And that is why it is not possible, without taking the past into account, to say that now already it is possible to change one's views by 180 degrees and to build some sort of future or other. And at the same time, where is the responsibility? Where is the faith in patriotism and the sense of labor? If we do not carry out, precisely, a settling of accounts? For, the point is not to build the future on a settling of accounts. And here there is a thing which I do not understand. If I was president for five years, if I am accused of helping the Left, if I calmly led Poland, and I counted on the fact that this Left side will think again? It did not do this. If it now returns and wishes to build again, then the greatest irresponsibility would ensue if we were able to allow this. There are no guarantees that anything, that these people, are reformable. I am not talking about ordinary people who worked and who work in work enterprises. Because these are indeed reformable. On the other hand, the postcommunist people, who were only activists, from student onwards, and then to the Politburo, or to the government, these are people who do not have any idea at all about life. They tell these stories, as we have heard here, and they say that they are the future. In no case can they show they are visible signs of the past. This is like a red rag to a bull. It must provoke. It must cement people who cannot allow those who were murdered as great patriots are spinning in their graves. [sentence as heard] After all, this cannot be so. And what future is there here when a man identifying himself with that band of rogues, stands at the head and accuses me, and says that he is building the future? In the name of what? In the name of attrocities? In the name of deceits? In the name of, and then also to say, and also to exploit the fact that there is unemployment today, and to appeal to these people, that I will build work for you. [sentence as heard] And so this is playing on low emotions, on poverty, which was created by precisely that system. And to burden people who had two years, two and a half years in which to resolve these problems? Well, absurdities alone. I hope that, precisely in the name of the future, we will not place a relic of the past, so that it not provoke the nation to a situation in which we will indeed get down more sharply to a settling of accounts. I want to save Poland from such a settling of accounts. They are indispensible. They will ensue. But only and exclusively when a man oriented toward the future, who has proved how the state is directed, will direct that state. And so, no responsibility. On the contrary, it is a lack of responsibility that motivates you.

I would end on that, it is more than my health is worth.

[Walendziak] Thank you very much. The second debate will be devoted to social welfare and economic topics. Lech Walesa and Aleksander Kwasniewski will also attempt to evaluate our most recent political past. I sincerely thank you. I invite you to Wednesday evening. Good night.

Walesa Posters Burned in Konin After Debate

LD1311141895 Warsaw PAP in Polish 1230 GMT 13 Nov 95

[FBIS Translated Excerpt] Konin, 13 Nov—Six posters of Lech Walesa were burned completely and several partly burned in Konin during the night of 12 November at the FUGO factory hotel, where Lech Walesa's Provincial Election Staff is located.

"This is political provocation pure and simple," said Jacek Kubiak, head of the Provincial Election Staff. [passage omitted] Kubiak also said that since this morning he has been receiving various telephone calls, sometimes threatening, from people expressing a distaste for Lech Walesa after yesterday's television debate.

Lech Walesa's Presidential Platform

WS1311144795 Warsaw GAZETA WYBORCZA in Polish 9 Nov 95 p 15

[Platform declaration by Lech Walesa, candidate for president of the Polish Republic]

[FBIS Translated Text] I often return here. To the place I came from. To you, from among whom and thanks to whom I advanced. I often recall the days when the whole nation—the world even—had its eyes on the Gdansk Shipyard. This is where we roused the spirit of the nation. The nation's faith in its own power. We showed for the first time back then that communism could be overthrown. They did not believe us, neither in the East nor in the West. Poland, fortunately, believed us.

Today, 15 years after those events, the Third Polish Republic is still under reconstruction. We are a free, independent, sovereign state.

We do not, however, have new institutions reflecting the new reality. We lack a basic foundation. We do not have a constitution. This places important targets in front of us. They have to be achieved in adverse and ambiguous conditions. Times are still unstable. The European zone of stability and security is not widening. It has not yet included our country, our homes. We hear threats from the East. We do not know for sure whether the forces of the old order will take hold of our country, forces that might be detrimental to the Polish raison d'etat, to our security.

That is why I decided to run for another term of office. That is why I wish to continue to serve Poland so that it will not stray from the reform path.

The implementation of new objectives requires different actions and methods than those applied thus far. I wish to specify them so they can become my pact with Poland and for Poland for the next five years. It is all the more important because the role of the president has not yet been defined in the constitution of the Republic of Poland and must thus provide for various solutions.

You know my opinions on this subject in the transition period. I think the president should be the chief executive power. He should be responsible for the basic trends of the development of the country and implement current objectives. This is the most effective and legible solution for the present. Not everyone shares this view. The opinion of the majority still remains unknown.

The basic instruments of my activities shall remain the legislative initiative, the veto, and political means of exerting influence. I want to be more active in the legislative process than I have been in the first term. I will focus on issues I currently see to be of fundamental importance for defining the final shape of the state, for developing the economy, and for society.

Apart from the constitution, the top priorities in the process of constructing the state are the reform and decentralization of the state administration coupled with the creation of an effective judicial system. Therefore:

—I shall do everything to enhance the competences of self-governments and increase their budgets, and veto all draft bills that do not serve this aim.

—I shall attempt to quickly construct a nonaligned, nonparty civil service. I shall try to reduce the number of political posts and free those institutions that are important for the economy and public services from political influence. I shall reject all draft laws that do not serve these aims.

—I will initiate and support all efforts at increasing the effectiveness of courts, creating better conditions for their operation and enhancing their prestige, and shall veto all draft bills that do not serve the implementation of this aim.

The most important issues for the economy, in my view, are privatization and taxes. These two issues will determine how fast our economy develops. They will determine how quickly we will be able to solve the problems of unemployment and poverty. Therefore:

—I will support large-scale, mass privatization and reject draft laws that narrow the scope of privatization or decelerate it.

—I will insist on the lowering and stabilizing of taxes and veto draft laws that provide for new types of taxes, increase them, or bring sudden changes without at least six months' notice.

As for social matters, the most important issues are improving the living conditions of the poorest, reforming the social security system, and improving the education system on which the success and future of our children depends. Therefore:

—I shall support the reform of the social security system so as to lower its costs without depriving citizens of access and protest draft laws that provide for higher taxes to be paid by employers and taxpayers, limit the number of those eligible, or introduce sudden changes of conditions.

—I shall initiate and support activities aimed at improving the education system by reforming schools and universities, allocating more funds, modernizing the syllabuses, and making a greater effort in neglected parts of the country—for instance, in the rural areas. I shall veto all draft bills that do not serve this aim.

—I shall try to gradually improve the living conditions of lonely pensioners and families with large numbers of children—who are currently the most impoverished groups—and veto draft laws that do nothing to improve these conditions.

In the field of foreign policy, I shall initiate and support efforts aimed at our fastest possible membership in NATO and the EU and counteract all projects that impede that membership.

Finally, I shall endorse ethics in public life. On the basis of the Ten Commandments, I will veto draft laws that to my conscience violate those ethics or bring fundamentalist or extremist elements to our public life.

All of these issues and topics are very important. All should be and are of interest to me as president. Yet I believe the 10 listed above to be the most important. If the nation delegates me to the office of head of state, I will guarantee that these objectives will be implemented.

I shall cooperate with people who have proved that their top priority is Poland's welfare. Not personal ambitions and profits. Not the president's interest. Not party guidelines, but the interests of everyone.

I shall create teams of experts: on the economy, on social and economic issues, and on our NATO and EU membership. Their main aim will be to indicate which laws I am to initiate and sign. These teams will be headed by people who are widely recognized—for example, Andrzej Olechowski.

I shall continue to secure social balance and peace for the further development of democracy, the free market, and ethics in public life. I shall not take any unconstitutional action. I will not, however, refrain from using every political tool possible to ward off the threat of destabilization. I will defend the track we are on so as to restore the balance that has been upset.

I will continue to blatantly point out the mistakes politicians make. I will force them to take action. I will remove irresponsible and ineffective people from power.

As many citizens as possible must be involved in these efforts. I will unsettle them, force them to react, shake them out of their state of tranquillity. Tranquillity is not the same thing as peace. Major goals cannot be attained without tension and arguments. They are necessary in a democracy if the changes that are needed are to take place.

This is how I see my pact with Poland and for Poland. These are the goals I want to reach. This is how I want to fulfill my responsibility toward the nation, toward August [of 1980], toward our common hope. With your help and God's I shall fulfill that responsibility.

* * *

The speech, delivered by Lech Walesa in Gdansk on 19 October, is a platform declaration in the ongoing presidential campaign. Aleksander Kwasniewski's platform declaration was published in the 243d issue of GAZETA WYBORCZA.

Walesa Discusses Communist Past, EU Membership

LD1311161595 Warsaw Polskie Radio First Program Network in Polish 1300 GMT 13 Nov 95

[FBIS Translated Text] President Lech Walesa said at an election rally in Olsztyn that, if the scenario for yesterday's television debate had been different, he would—as he put it—have knocked out his opponent. Walesa also said that he has led the country for five years in such a way that no blood has flowed. The price for overthrowing communism, the president added, is economic disaster. To avoid abuses in the transitional period, the president called on voters to start so-called white books.

[Begin Walesa recording] Start white books [biale ksiegi] so that everything bad done against the homeland, everywhere we were cheated, everywhere we were robbed is documented, so that we can refer to it. Nobody must be allowed to get away with that approach to life at moments of trouble for our homeland. The communists did not draw conclusions from the past. We gave them the chance—mercy. We were more merciful; we thought they would settle their accounts, and they behaved in such a way that we cannot let them get away with it. [end recording]

Speaking about the idea of property enfranchisement for citizens, Walesa stressed that mass property enfranchisement should come about before Poland's entry to the EU.

[Begin Walesa recording] When we get into the EU, if we are not privatized, ministers and governments can privatize us. That is the first thing. Second, we will be subject to the laws that are in the EU, too, and, in view of that, a Frenchman, a German, an Englishman who has the money will be able to buy—everything will be up for auction, so our countrymen will be worse off. If this is on a large scale, a state scale, the minister can make a million on the side, or 100 million, into his pocket, and sell for 1 billion. It will be a good deal for him because he will make money and all of us will lose. Ministers can indeed leave us behind; I simply do not believe them. [end recording]

Just under 2,000 people took part in the preelection meeting in Olsztyn.

Walesa Accuses Minister of Campaign Involvement

LD1311164495 Warsaw Polskie Radio First Program Network in Polish 1500 GMT 13 Nov 95

[FBIS Translated Text] President Lech Walesa has demanded that Jerzy Jaskiernia, justice minister and prosector general, cease his involvement in the presidential campaign. In a letter sent to Prime Minister Jozef Oleksy, Lech Walesa said that Jaskiernia had exceeded his powers by asking the Constitutional Tribunal, at Aleksander Kwasniewski's request, to rule whether parliament members in their financial declarations should include the assets of their spouses.

This is an obvious abuse of legal prerogatives to provide a service for a party superior, the president wrote. According to Lech Walesa, this is a particularly harmful incident because the prosecutor general has great powers and enjoys a special position as a member of the executive authorities.

Kwasniewski Aide Wants Proof of Walesa Payments

LD1311203795 Warsaw Polskie Radio First Program Network in Polish 1800 GMT 13 Nov 95

[FBIS Translated Text] Danuta Waniek, the head of Kwasniewski's staff, has issued an appeal on behalf of the voters calling on the president to supplement his financial statement submitted to the Sejm and reveal all of his assets. Waniek demanded that President Walesa present, among other things, proof that he had paid an equalizing tax on the sum of $1 million that he received in royalties, and that he explain the matter of gifts given to his grown-up sons.

[Begin Waniek recording, in progress] ...first, that all assets of Lech Walesa and his wife be revealed, to include not only the savings but also all movable and immovable assets. This is even more important because President Lech Walesa recently said that he was bankrupt. Earlier, let me remind you, he said that his financial situation was so bad that he will soon stop paying the gas and electricity bills. [end recording]

Zbigniew Nelken, the press spokesman for the Treasury Inspection Office, said that, in accordance with the law, President Lech Walesa should have paid 10 percent in tax on the money received six years ago from the Warner Brothers Film Company for the copyrights to film his biography, had he paid the tax in Poland. The spokesman also said that, on the basis of the international agreements on avoiding double taxation, the president could have paid that tax abroad.

[Begin Nelken recording] If a person receiving a payment in lieu of the copyrights paid the tax over there, Poland should have received only a statement that such a payment was made. However, I am not able to say whether this statement was made by the party involved, the person himself, or whether it was an appropriate document provided by that country. Unfortunately, I am not able to answer this question. If that payment was made in Poland, a certain percentage, quite low in fact—10 percent—should have been paid. [end recording]

Justice Ministry on Kwasniewski Assets Case

LD1311220595 Warsaw Polskie Radio First Program Network in Polish 1800 GMT 13 Nov 95

[FBIS Translated Text] Government press spokeswoman Aleksandra Jakubowska, referring to a preliminary opinion of the Warsaw Provincial Prosecutor's Office published in today's RZECZPOSPOLITA, has said that Aleksander Kwasniewski is not criminally liable for failing to include in his parliamentary [financial] statement the Polisa shares belonging to his wife. Jakubowska said that he is facing only disciplinary proceedings.

Andrzej Cubala, spokesman for the justice minister, denied that in its preliminary findings the Prosecutor's Office had stated that Aleksander Kwasniewski is not criminally liable. The spokesman said that, because of reservations on the part of the Prosecutor's Office concerning this issue, the Appellate Prosecutor's Office in Warsaw has approached the justice minister, asking him to extend his motion, filed with the Constitutional Tribunal, to include a legal explanation of Section 7 of the anticorruption law. Section 7 says that failure to submit a statement, including untrue information, or failure to reveal the truth could lead to disciplinary punishment.

Size of Military Forces in Balkan States

AU1311161595 Bucharest EVENIMENTUL ZILEI in Romanian 8 Nov 95 p 3

[Article by Radu Tudor: "Romania Is One of the Strongest Military Forces in the Balkans"]

[FBIS Translated Text] The Greek daily TA NEA recently published the statistics of military forces in the Balkans. We grouped the material according to categories of armed forces and military technology.

Due to the demographic and dimensional factor, Romania is one of the first-ranking countries. In the five categories of arms, our country is immediately after two respected NATO members: Turkey and Greece.

One of the several conclusions that one can draw is that Romania cannot be excluded from a formula of security in the Balkans established in the Western "laboratories" and that NATO would gain a considerable force by incorporating our country into the alliance as a member with complete rights. For NATO, a strategic line through Romania, Turkey, and Greece would mean a strong anchor in the Balkans, a key zone of European stability.

GROUND TROOPS	
Turkey	393,000
Romania	160,000
Yugoslavia	150,000
Greece	113,000
Bosnia-Herzegovina	
—Serbs	80,000
—Muslims	110,000
—Croats	50,000
Croatia	99,500
Bulgaria	51,500
Slovenia	20,000
TANKS	
Turkey	4,920
Greece	2,720
Romania	2,395
Bulgaria	1,967
Yugoslavia	639
Croatia	420
GROUND TROOPS	
Slovenia	120
Bosnia-Herzegovina	
—Serbs	330
—Muslims	85
—Croats	95
ARTILLERY	
Turkey	4,240
Greece	2,800
Romania	2,250
Croatia	2,020
Bulgaria	1,800
Yugoslavia	1,430
Bosnia-Herzegovina	
—Serbs	Unknown
—Muslims	300
—Croats	400
Krajina Serbs	500
Slovenia	Unknown
NAVY	
Turkey	
—Personnel	54,000
—Ships	68
—Submarines	15
Greece	
—Personnel	19,500
—Ships	57
—Submarines	8
Romania	
—Personnel	15,000
—Ships	88
—Submarines	—
Yugoslavia	
—Personnel	7,500
—Ships	44
—Submarines	5
Bulgaria	

GROUND TROOPS	
—Personnel	3,000
—Ships	24
—Submarines	—
AIR FORCE AND AIR DEFENSE	
Turkey	
—Personnel	29,000
—Planes	384
Greece	
—Personnel	29,000
—Planes	364
Romania	
—Personnel	27,500
—Planes	313
Yugoslavia	
—Personnel	29,000
—Planes	194
Bulgaria	
—Personnel	21,500
—Planes	294
Croatia	
—Personnel	1,000
—Planes	43

Tinca Rejects PUNR Deputy's Accusations

AU1011190295 Bucharest EVENIMENTUL ZILEI in Romanian 3 Nov 95 p 6

[Statement by Defense Minister Gheorghe Tinca: "Stating That He Did Not Call Valeriu Tabara a National Traitor, Defense Minister Gheorghe Tinca Triggers the Alarm Signal About the Insufficient Army Budget for 1996"]

[FBIS Translated Text] Several newspapers of 2 November 1995 published some statements made by [PUNR—Romanian National Unity Party] Deputy Ioan Gavra regarding my alleged attacks against Minister of Agriculture Valeriu Tabara during the last government meeting, when the budget was adopted.

Regarding the statements made by Deputy Gavra, I wish to mention the following:

1. It is true that, during that government meeting, I made a speech aimed at drawing the attention of all colleagues to the effects that the limited funds allotted for equipping the Army stipulated in the 1996 budget will have on the country's defense capacity today and mainly in the future.

Among other things, I referred to the current situation of the Air Force, which, in fact, is known to everybody. I did not ask for expenditure cuts in any sector of activity, but I insisted on the need for more effective to be made of the funds allotted by the state to agriculture and industry in order to reach the immediate goal, mainly in the conditions of the market economy situation, when the state budget income sources are more reduced and the budget must increasingly reflect the need to support education, health, national defense, public order, and justice, that is, exclusively public budgetary areas.

2. In my speech, I did not permit myself to call anybody a "national traitor." In fact, this term does not belong to my usual vocabulary. In no way could I have used the above term for Agriculture Minister Valeriu Tabara, whom I have admired since the time he was appointed to the government for the tough way in which he "fights" for Romania's agriculture. In fact, I believe that Minister Tabara also noted my interest in agriculture and my opinion that the improvement of the situation in this basic branch of the national economy is essential for our country's recovery. I would also like to reiterate on this occasion the correct way in which the Army perceives the phenomena in agriculture, and I remind everybody that, in spite of the immense difficulties that they encounter, hundreds of artillery officers have been playing an essential role in distributing the land ownership certificates for several years.

3. My speech was probably fervent and probably had the capacity to irritate. This is mainly due to the frustration that I have felt for some time over my lack of success in increasing the interest of my other colleagues in the government in the major problems of the equipping the Army. In my demarches, I have not accused anybody of national treason, and I hope that nobody had any reason to feel accused in such a way, because all the government members—and this I state in full knowledge of the situation—have no other goal than to serve the national interest.

4. As it appears in the press, Deputy Ioan Gavra seems to regret that the "PUNR voted for laws that increased the volume of military pay and pensions, laws whose implementation mean hundreds of billion from the state budget." He warns me that "I will surely pay for the respective statements." I believe that, here, we are faced with a distortion of Deputy Gavra's

statement, because I cannot imagine that the PUNR vote in favor of laws regarding military cadres was based on considerations other than those that stemmed from the exact knowledge of the major difficulties that military cadres are confronting and the political wish of the PUNR to support the legal measures aimed at improving the situation of the military personnel and the country's defense capacity.

If other colleagues of Deputy Gavra also believe that it is right that a public employee, even if he is a minister, should pay—even with losing his job—because he is "fighting" for his area of responsibility, mainly when it is of a general and not a local interest, I state here that, in that case, I am ready to look for a job elsewhere. However, it is difficult for me to believe that this is Deputy Gavra's belief, and I hope that he was not correctly informed about what had happened at the government meeting or the report of his statements in the press was not accurate.

In any event, I assure Deputy Ioan Gavra of my complete respect.

Uranium Traffickers To Face Court in Bucharest

AU0711215995 Bucharest ADEVARUL in Romanian 1 Nov 95 p 10

[Report by N. M.: "Radioactive Uranium Trafficking at the Villas of the Former PCR in Snagov"]

[FBIS Translated Excerpt]

The Dealers: MApN and SPP Officers, as well as Scientific Researchers, University Staff, and Businessmen

The Bucharest Military Prosecuting Magistracy sent to court the results of its investigations regarding the crimes committed by Alexandru Halauca (a reserve captain) of the Steaua [Sports] Club; Vladimir Cumpanasu (a reserve lieutenant) of the SPP [Guard and Protection Service]; Constantin Constantiniade, university assistant lecturer at the Bucharest Polytechnic University; Ilie Matei, scientific researcher at the Rare and Radioactive Metals Technological Research and Designing Institute; Florea Gheorghe, businessman, owner of the Romsuin company; Nicolae Dumitru, unemployed; and Constantin Marzavan, a business agent of the Intercom company, who on 28 September 1994, in front of Villa 23 in Snagov, which used to belong to the former PCR [Romanian Communist Party], were caught while trying to sell 4.55 kilograms of uranium powder, for which they had asked $25,000 per kilogram. The investigators established that the deal had been planned and carried out by Alexandru Halauca; Constantin Marzavan; and the latter's brother-in-law, Constantin Constantiniade. After having talked things over with Halauca, Marzavan—who knew that Constantiniade wanted to immigrate to the United States—asked Constantiniade to procure uranium, promising him a profit of about $5,000 for each kilogram. As soon as a would-be purchaser was found—a Turkish citizen who remained unidentified and who offered to pay $25,000 per kilogram—Constantiniade asked Ilie Matei, a former colleague of his, to procure the uranium. Thus, Ilie Matei stole five kilograms of uranium from Laboratory No. 8 of the research institute, and packed it into four plastic bags. According to the expert results of the Nuclear Energy Reactors Institute in Pitesti, on request of the prosecuting magistracy, the material proved to be uranium tetrachloride containing 61.9 percent uranium. With such material there is a high risk of radioactive contamination. The aforementioned quantity would have been sufficient to produce 2.7 kilograms of fissionable and radioactive uranium.

Frightened because of the crime he had committed, a short while later, Ilie Matei requested that they give his uranium back. However, as the dealers had already found a purchaser, Constantiniade bought zinc oxide and chrome oxide powder, both materials used by house painters and easily available at any shop, which they mixed with half a kilogram of the stolen uranium, so that in case Matei tested the material, he should still believe he received back what he had stolen from the institute lab. The original bags filled with the fake uranium were placed by Matei, who knew nothing about the substitution, in their previous place in the lab. Constantiniade, Halauca, Cumpanasu, and the others involved in the deal chose 29 September as the day when they were going to sell the material. The transaction took place in the area of the former PCR villas in Snagov. Former SPP Lieutenant Vladimir Cumpanasu brought the merchandise there driving his father's car, a Dacia 1310-type automobile, which had been registered under license plates 9-B-30750, but which had been equipped with fake plates 4-B-8603. Opening the trunk, the police found the bags containing the uranium, as well as a hunting rifle.

The first two months of investigations took place with the seven suspects under arrest, after which they were released until the trial. [passage omitted]

Federal

Government Welcomes Agreement on E. Slavonia

LD1311190795 Belgrade TANJUG Domestic Service in Serbo-Croatian 1629 GMT 13 Nov 95

[FBIS Translated Text] Belgrade, 13 Nov (TANJUG)—At its session today, the federal government welcomed the signing of the Basic Agreement on the Region of east Slavonia, Baranja, and west Srem. It regards the agreement as a significant step and an important contribution to to the establishment of a lasting and just peace in the area of the former Yugoslavia, the Federal Secretariat for Information reports.

The agreement is the result of negotiations between the leadership of the region and representatives of the Croatian Government as well as of the great effort made by the U.S. and UN mediators.

The federal government stated that the agreement reached as an international document was a safe basis for full respect for and protection of the rights of the Serb people of the region, safeguarding its peace, freedom, and equality.

The agreement is the triumph of the forces of peace and reason and an effort to solve by political means and mutual compromise the extremely complicated problems created by Croatia's unilateral and forcible session.

The federal government particularly underlines the fact that the UN Security Council is assuming responsibility for the peace and stability in the Srem-Baranja region, for the security and equality of all its citizens, including those refugees who found refuge there as well as returning refugees. The envisaged joint council of municipalities and the whole system of power which will be constituted following the transitional period will provide a basis for developing the region in peace and safety.

The UN Security Council is expected to secure all conditions for the lasting security and free development of the Serb people and all citizens in peace, freedom, and democracy by passing its resolution and constantly monitoring the implementation of the agreement. In this context, the decisive role will certainly be played by the UN's interim administration and international forces which are expected to uphold principles as the key precondition for winning the confidence and support of citizens.

The federal government maintains that the signing of the Basic Agreement is an event of first-class importance for peace, stability and the normalization of relations and conditions in the area of the former Yugoslavia and this part of Europe, the statement says.

POLITIKA Staff Demands Director's Resignation

AU1411114395 Belgrade POLITIKA in Serbo-Croatian 5 Nov 95 p 11

[Statement by the Collegium of POLITIKA Editors: "Statement by POLITIKA Editors"]

[FBIS Translated Text] The Collegium of POLITIKA Editors, the Collegium of Chief Editors and Management of NP Politika publishing house, and two trade unions of NP Politika demand that Zivorad Minovic submit his irrevocable resignation from the position of chairman of the Politika company.

By his activities over the past years, since he became the head of NP Politika Minovic has inflicted immeasurable moral, material and political damage to the newspaper, the company and the state of Serbia, the Serbian people and all the well-intended citizens of Yugoslavia.

By his ignorance of the laws of market economy (which can be explained to a degree by the fact that Minovic has a doctor's degree in self-management), the chairman of the company has turned Politika into an economic cripple. Owing to Minovic's incompetence, one of the largest distribution networks in the Balkans (NP Politika owns 1,300 newspaper stands in the territory of the FRY and the former Yugoslavia) has been brought into the position that it is not able to support itself. Because of the irregular payment of commitments, delivery firms are avoiding Politika's distribution network, so its stands are, as a rule, empty, in contrast to the newspaper stands of Duvan, Stampa or Borba. Burdened by huge debts in the past months, Minovic has launched a secret operation of sale of some parts of Politika, a publishing house almost 100 years old, justifying it by his commitment to the concept of privatization.

Through mistaken cadre solutions certain parts of the company have been brought into a hopeless economic position, so that they fully depend on outside loans. The situation in Radio-Television Politika is particularly difficult.

Minovic is trying to conceal all his wrong economic moves by a campaign launched against POLITIKA newspaper and NP Politika. The ultimate goal of this attack is an attempt to crush the economic and editorial independence of the most profitable part of the company—POLITIKA daily—by removing the directors of the publishing house and the Collegium of Editors—and the intention to channel the entire funds into the same cash box, which would make possible squaring of invoices and covering of huge business flops.

Simultaneously with the internal pressure, camouflaged as demagogy about white and blue collars, Minovic has tried to obstruct the regular issuing of POLITIKA from outside as well. Making use of the chronic lack of newsprint in former Yugoslavia, the chairman of the company has managed to exert influence on the only newsprint factory in the country, namely the Matroz factory in Sremska Mitrovica, and has succeeded in cutting down the already paid shipments of newsprint to POLITIKA.

A particular example of hypocrisy is that Minovic, in his campaign against POLITIKA, is trying to present himself as a protector of the journalistic profession, the newspaper and readers.

Zivorad Minovic will be remembered as one of the most infamous personalities in the history of Serbian journalistic profession. His influence on POLITIKA has been deleterious. As its chief editor (from 1985 to 1991) Minovic turned POLITIKA into a newspaper that betrayed all the principles of ethics, the journalistic profession and truth. He will be put in chronicles of dishonesty as the chief editor who gave the most obscure image to the newspaper, illustrated by the column "Echoes and Reactions," commentaries and articles in which people were being instigated to war, violence, hate, doing away with the unlike-minded, and all this by information or reports, done up following his order, or even rewritten by Minovic himself.

POLITIKA's journalists, particularly those who were trainees or freelancers at the time of Minovic's rule as chief editor, experienced it as a major professional crime that he was putting their names under warmongering texts or mutilated reports or columns, which they had never seen before.

Entire generations at the beginning of their careers have been left with a scar that will be difficult to heal—the scar of betrayal of their profession. At the time when Minovic managed the daily, all the codes of journalism and all the ethical norms were violated. Thanks to him, POLITIKA was for a while a symbol of hate, lies, frame-ups, slander and eulogists. Four years ago its issues were being publicly burnt on the streets of Belgrade, and no intellectual who cared about his reputation wanted to make a statement to POLITIKA.

Minovic is directly responsible for the biggest moral and professional fall in the history of the newspaper, which was halted by his removal from the position of chief editor in 1991. His responsibility for the tragedy that followed, caused by hate, evil and the base aspirations on which he insisted as chief editor, is yet to be established.

Over the past three years the editorial board of POLITIKA has made a huge effort to restore respectability and dignity to the newspaper, and it has succeeded in that for the most part. This is evidenced by the increase in POLITIKA's circulation, which has almost tripled over the past two years. Serbia's intellectuals are no longer ashamed to speak for POLITIKA. On the contrary, this has become an honor again.

The economic effect that has derived from such a huge effort made by journalists and editors is undisputable. Starting with the fact that economic independence is a precondition for any other independence, the editorial board of POLITIKA has outspokenly said that this newspaper will not have any sponsors, and that in order to survive it will struggle exclusively on the market and complying with its laws. The correctness of such a concept is confirmed by the fact that POLITIKA daily is one of the most profitable firms in Serbia, which was acknowledged last year by the award of a plaque from the Serbian Chamber of Commerce.

The journalists of the daily and NP Politika are the best paid journalists in the FRY, their housing problems have been settled, and we are proud of that, because that is a result of immense endeavor and work, rather than of demagogy, endless loans or sale of property acquired by many generations.

So in this point lies the substantial conceptual difference between the current management of the daily and the publishing house and the executives of Politika company. POLITIKA believes that the future of Serbia is in free market opportunities, competition, and reforms that will bring us back on the international stage. Minovic, however, does not believe in that.

He might possibly cause another political crisis, but he is not able to manage a serious newspaper, nor to earn money by his own work. His whole idea of doing business has always been based on a decision of some CK [Central Committee of Communist Party], loans taken from the primary issue of money, benefits, or lowered taxation rates... and finally, on not repaying his debts. Such directors like Minovic have brought the economy of Serbia to its current position. Dozens of Minovic types are waiting in line outside bank chairmen's offices, trying to cover their managerial incompetence with somebody else's money. They are not happy about the steady dinar, or curbed inflation, or any market-orientated legislation, or allocation of funds that have been earned, rather than borrowed, because—they do not know how money is earned. It is clear to them that they can maintain their positions only if they restore the chaos of inflation, or the mechanisms of political criteria in the allocation of funds. Therefore Minovic does not find it convenient to have a successful and profitable POLITIKA, unless its cash box is under his control.

The conflict between the company and the daily is not one of personalities. It is a conflict between two fateful concepts of Serbia's future—one that is for peace, lifting of sanctions, market economy, economic recovery, return to international courses, and dignified life, and the other that hopes for continuation of the war, new blockades, economic and political chaos, in which its protagonists would manage to survive and thus conceal everything they have brought to ruin over the past years.

Nor does Minovic consider a normal state of affairs to be suitable either. His real target is neither the director of POLITIKA, nor its editors and journalists. He is afraid of peace. He is afraid of a lawful state. His nightmare is the more and more certain prospect that war and suffering could finally be brought to an end. He sees his only opportunity on the opposite side, in the frantic aspiration to ignite a war in Serbia, to make heavy guns thunder in Srem, to see clouds of smoke above Sumadija and its villages burnt to the ground, to make Kosovo explode.... This is a scenario that will reinstate him on the stage, even at a cost that nobody save him survives.

Minovic, an evil genie from POLITIKA's castle, has come out of the bottle again. By his latest campaign against POLITIKA he is aspiring to cause anarchy, in which he would call for implementation of coercive measures, turn POLITIKA into a battlefield, and present Serbia and the FRY as lands of chaos and nightmares, which their enemies certainly desire. The fear of lifting the sanctions and the normalization of relations is the essence of what terrifies Minovic, because those events would eliminate his last argument, which blames his failures and those of people like him on the international community or an international conspiracy or anybody but him. What is bad for Serbia, is good for Minovic. That is the last line of his defense and the condition of his survival.

It is high time that Minovic left the scene. For POLITIKA's welfare, for the welfare of Serbian journalism, and for the welfare of Serbia.

Police Forbid Journalist To Leave Country

AU1411100895 Belgrade NASA BORBA in Serbo-Croatian 13 Nov 95 p 16

[Report by BETA: "'Reporter Without Borders' Cannot Cross Border"]

[FBIS Translated Text] Belgrade—"Reporters Without Borders," an international organization for the protection of the freedom of the press, has sent a letter to Serbian President Slobodan Milosevic protesting against the Yugoslav police banning Vladimir Jovanovic, journalist of the weekly Podgorica MONITOR, from leaving the country. It is said in the letter that the MONITOR journalist, who was supposed to take part in the seminar of the International Journalists Federation in Ljubljana, was told at the Backi Breg border crossing two days ago that he could not leave the country because his "passport is faulty." Jovanovic was then held for questioning in Sombor.

At the beginning of this month, MONITOR carried an article by Jovanovic on the attempted assassination of Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] President Kiro Gligorov in which it is claimed, on the basis of statement of an unnamed former official of the Yugoslav Intelligence Service, that the Serbian, Russian, and Bulgarian mafia were involved in the assassination. On his return from a business trip to Macedonia, the border police told Jovanovic that "he was not going to leave the country any more," according to the statement issued by "Reporters Without Borders." In its letter to President Milosevic, the organization calls on him to "do everything in his power to make it possible for the MONITOR journalist to leave for Slovenia."

Serbia

Slavonia Leaders Lauded for Signing Accord

AU1311212595 Belgrade BORBA in Serbo-Croatian 13 Nov 95 p 3

[Commentary by Zivorad Djordjevic: "The Mistake Has Not Been Repeated"]

[FBIS Translated Text] The signing yesterday of the agreement on the region of eastern Slavonia, Baranja, and western Srem constitutes a big step toward peace and the safety of Serbs in the region. This has averted the suffering of the entire Serb people and everything else that war brings. The region's leadership and negotiating team headed by Milan Milanovic rose above the misfortunes, emotions, and war mongering options, and wisely accepted a solution that replaces the present troubles, anxieties uncertainties, and possible war destruction with peace, certainty, life, and a future.

Perhaps those that believe that someone else rather than themselves can conquer half the world through war will be dissatisfied. However, they are not warriors, but war mongers. Warriors are always sick of war and suffering. They want peace for the sake of life. In any case, any policy, irrespective of whether it is international, state, or regional, is always a policy of the possible, dominated by the ratio of power and force rather than wishes and good intentions. Justice and truth, no matter how honorable, are hardly ever taken into account by politics. Serbs, and all others, either out of naivete or sincerity, have always in history swallowed bitter pills whenever they attempted to suppress interests and power for the sake of truth and justice. It is important to note that by negotiating with Croatia, the Serbs and their leadership, led by the only possible logic, made a great step toward halting the war and opened the door to peace. They did this in a much more courageous and wiser way than the leadership in Knin, who played at being brave and thus foolishly led their people into an abyss. The main objective, therefore, has been achieved: peace and the safety of the Serb population, their survival, and the possibility of luck coming their way.

In any case, the achievements of this agreement are not to be underrated. Those better acquainted with the negotiations know very well that the essence of Serb demands has been accepted in principle. During a one-year period (this period is, in fact, two years), optimum conditions for a peaceful and stable life will be secured, as will conditions for the return of refugees and the setting up of authorities in the area. The international community has undertaken the obligation of securing the implementation of all these significant agreements, and guaranteeing peace and the survival of the Serb population. This, of course, means that the United Nations will monitor the situation, rather than Croatia and Tudjman. Two years are a long period in which life can stabilize, wounds heal, and much can change.

Faced with the choice of war or peace, life or destruction, haggling and deliberations over what is being gained and what is being lost become a great risk, very often with devastating consequences. The leaderships in Pale and Knin have already experienced this. Fortunately, the leadership in the Region of Eastern Slavonia, Baranja, and Western Srem [capitalization as published] did not repeat the mistake.

Kosovo

Rugova Speaks on Place of Kosovo in Ohio Talks

AU1311145795 Tirana RILINDJA in Albanian 11 Nov 95 pp 1, 4

[Unattributed report on news conference given by Ibrahim Rugova, "president of the Republic of Kosova," in Prishtina on 10 November: "Kosova Part of the Package of the U.S. Initiative"]

[FBIS Translated Excerpt] Dr. Ibrahim Rugova, president of the Republic of Kosova, expressed at his news conference his high appreciation of the initiative of President Clinton and the United States to establish peace in the former Yugoslavia.

He also welcomed the document produced by the parliamentarians of European countries at Valletta in Malta, where Albanian parliamentary deputies were also present, which calls for self-determination for Kosova.

Rugova welcomed the data produced by Ms Elizabeth Rennes, the UN special fact-finder, about the violations of human rights in Kosova, and the speech by Besnik Mustafaj, UN ambassador to UNESCO, about the destruction of monuments of Albanian culture and tradition in Kosova, as well as the support given to this stand by Mr. Frederico Major.

The president of Kosova thanked the Albanian exiles in the United States who demonstrated yesterday in Ohio, calling for recognition for Kosova. [passage omitted]

Concluding his comments, Rugova drew attention again to the ruin of the public-sector economy in Kosova and the blows to small businesses, and underlined the social impoverishment of the people caused by the plunder of the Albanians' assets and their debarment from trade. The correspondent of Radio France Internationale asked President Rugova when he will visit the United States and various European countries. Rugova said that he is making preparations for these visits.

In reply to another question, he said that these visits will not be tied directly to the Ohio talks, but will be part of the regular relations between Kosova and the United States and various European countries.

In reply to a question from the correspondent of ATA, Rugova said that Kosova is part of the U.S. initiative, which has now become an international initiative. It is a matter of the stages in which all the problems of the former Yugoslavia and the Balkans will be studied.

The correspondent of the Voice of America, commenting on some reports that agreement has been reached at

Dayton, Ohio, to lift sanctions against Serbia and Montenegro and that the import of gas from Russia to self-styled Yugoslavia has been permitted, asked whether this means that the sanctions will be lifted if a full peace agreement is reached at Dayton. Dr. Rugova emphasized in his reply that the sanctions may be partially suspended, but not removed. That would be conditional on solving all the problems in the former Yugoslavia, including Kosova. There may be a suspension, though not a removal of sanctions, which will depend on the general situation in the former Yugoslavia and a political solution of the Kosova issue.

The correspondent of HINA asked for a comment on the charges laid in the International Court in The Hague over some senior Serbian officers and generals in the Army of self-styled Yugoslavia.

Rugova said that he has a very positive appreciation of these charges at The Hague. We expect charges to be raised against all those who have committed crimes not only in Croatia and Bosnia but in other parts of the former Yugoslavia. I hope that the court at The Hague will press ahead in its work. Justice does not forgive, though it may delay, the president of the republic of Kosova said at his news conference.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.